

No.17/31/DPSP

Jakarta, 13 November 2015

CIRCULAR LETTER

Subject: Operation of Securities Administration through Bank
Indonesia-Scripless Securities Settlement System

In connection with the enactment of Bank Indonesia Regulation Number 17/18/PBI/2015 concerning Bank Indonesia Operated Systems for Management of Transactions, Securities Administration, and Instant Fund Settlement (State Gazette of the Republic of Indonesia Year 2015 Number 273, Supplement of the State Gazette of the Republic of Indonesia No. 5762), it is necessary to set up implementation provisions concerning the operations of Securities administration through a system of Bank Indonesia-Scripless Securities Settlement System in Bank Indonesia Circular as follows:

I. GENERAL PROVISION

In this Bank Indonesia Circular what is meant by:

1. Bank Indonesia-Scripless Securities Settlement System, hereinafter referred to as BI-SSSS, is an infrastructure used as means of Transaction Administration and Administration of Securities conducted electronically.
2. Sistem Bank Indonesia-Electronic Trading Platform (Bank Indonesia-Electronic Trading Platform System), hereinafter referred to as Sistem BI-ETP, is an infrastructure used as means of electronic Transactions.
3. Sistem Bank Indonesia-Real Time Gross Settlement (Bank Indonesia-Real Time Gross Settlement System), hereinafter referred to as Sistem BI-RTGS, is an infrastructure used as means of electronic fund transfer

which...

which settlement is conducted on transaction-by-transaction basis in real-time.

4. Sistem Informasi BI-SSSS (Information System of BI-SSSS), hereinafter referred to as SI BI-SSSS, is a system provided by Bank Indonesia for Sub-Registry as a means of data reporting to and reconciliation in BI-SSSS related to the administration of Sub registry's individual customer.
5. Administration means any activities including recording of ownership, clearing and settlement, and coupon/interest/reward payment, and principal/nominal payment of the Securities and non-Securities instruments.
6. Transaction means any Transactions with Bank Indonesia and Financial Market Transactions.
7. Transaction with Bank Indonesia means any transactions initiated by Bank Indonesia for monetary operations, sharia monetary operations, and/or transactions of Government Bonds for and on behalf of the Government, as well as other transactions with Bank Indonesia.
8. Financial Market Transaction means any Securities transactions and lending-borrowing transactions in a conventional manner, or equalized under sharia principles for money market transactions and/or Securities transactions in secondary markets.
9. Monetary Operations means the conduct of monetary policies by Bank Indonesia for managing monetary through Open Market Operations and Interest Rate Corridor (Standing Facilities).
10. Sharia Monetary Operations means the conduct of monetary policies by Bank Indonesia for managing

monetary...

monetary through Open Market Operations and provision of Standing Facilities based on sharia principle.

11. Fasilitas Likuiditas Intrahari (Intraday Liquidity Facility), hereinafter referred to as ILF, is a liquidity facility provided by Bank Indonesia to Sistem BI-RTGS Participating Bank in a conventional manner or under sharia principles in order to resolve intraday liquidity mismatch encountered during BI-RTGS operational hours and/or in Settlement of multilateral net position as the result of calculation in Sistem Kliring Nasional Bank Indonesia .
12. Securities means securities issued by Bank Indonesia, Government, and/or any other institutions administered on BI-SSSS.
13. Surat Berharga Negara (Government Securities), hereinafter referred to as SBN, means Government Bonds and Government Sharia Securities.
14. Surat Utang Negara (Government Bond), hereinafter referred to as SUN, means Securities in the form of debt acknowledgment paper in Rupiah or any foreign currencies which interest and principal payment is guaranteed by the Republic of Indonesia, according to the validity period.
15. The Sovereign Syariah Securities, hereinafter referred to as SBSN, or Sovereign Sukuk, or the Sovereign Securities issued based on syariah principles, as evidence of the participation in SBSN assets, issued both in Indonesian Rupiah and foreign currencies.
16. BI-SSSS Operator hereinafter referred to as the Operator means Bank Indonesia which conducts BI-SSSS operation.

17. Participants of BI-SSSS hereinafter referred to as Participant means parties which meet the requirements and are obtained approval from the Operator as participant in BI-SSSS.
18. Central Registry means Bank Indonesia conducts an Administration function for the interests of BI-SSSS Participants.
19. Sub-Registry means Bank Indonesia and any parties who have fulfilled the requirements and approved by the Operator as BI-SSSS Participant to conduct an Administration function for the interest of its customers.
20. Bank means Commercial Banks as specified in the Law on banks, including the branch offices of banks overseas and Sharia Banks including Sharia Business Units as specified in the Law on sharia banks.
21. Custodian is the parties providing custodian services for securities and other assets related to securities and other services, including receiving dividend, interest, and other rights, conducting settlement of securities transactions, and representing the account holder customers as referred to in the Law that governs capital markets.
22. Primary Dealer are Banks and/or Securities companies assigned by the Minister of Finance as the Primary Dealers as referred to in Minister of Finance regulation governing Primary Dealers.
23. Settlement means the final settlement process of financial transactions by debiting and crediting of Fund Settlement Accounts, Securities Accounts, and/or other accounts in Bank Indonesia.
24. Securities Settlement are the activities of debiting and crediting Securities Accounts in the context of Administration.

25. Fund Settlement means the activities of debiting and crediting Fund Settlement Accounts related to Securities Settlement.
26. Securities Account means BI-SSSS Participant's account in Rupiah and/or foreign currencies administered on BI-SSSS in order to record the ownership and Settlement of Securities Transactions, Transactions with Bank Indonesia, and/or Financial Market Transactions.
27. Fund Settlement Account means Sistem BI-RTGS Participant's account in Rupiah and/or any foreign currencies administered on Sistem BI-RTGS for Fund Settlement.
28. Cash Settlement Agent are Sistem BI-RTGS Participant appointed as the party to conduct payments and fund recipients of BI-SSSS Participant.
29. Unforeseeable Condition means a situation or condition occurring due to any failure of or damage to hardware, software, communication network, application, or supporting facilities affecting smooth operation of Sistem BI-ETP, BI-SSSS, and/or Sistem BI-RTGS .
30. Emergency Condition means any condition occurring beyond the control of the Operator and/or Participants resulting in non operation of Sistem BI-ETP, BI-SSSS, and/or Sistem BI-RTGS due to, but not limited to, fire, riots, sabotage, and natural disasters, such as earthquakes and floods, declared by the authority or competent local official, including Bank IndonEmergency Condition.
31. Guest Bank Facility means BI-SSSS facility at the location of the Operator and Domestic Representatives of Bank Indonesia (KPwDN) provided by the Operator for Participant as a backup in case of Unforeseeable

Condition and/or Emergency Condition causing Participant not able to use BI-SSSS at their locations.

32. BI-SSSS Central Node, hereinafter referred to as SCN, means system at the Operator which provide the function of conduct Administration activities and other supporting functions for BI-SSSS operation.
33. BI-SSSS Participant Platform hereinafter referred to as SPP means BI-SSSS at Participant that connected to SCN, used by Participants to conduct activities related to Administration and other supporting functions.
34. Digital Certificate means a certificate in the form of protected file containing the identity of the certificate owner, encryption key to verify the digital signature of the owner, and validity period of the certificate generated by Bank Indonesia public key infrastructure.

II. OPERATOR

A. Organization of Operator

1. Operator is Bank Indonesia c.q. Payment System Management Department (DPSP-*Departemen Penyelenggara Sistem Pembayaran*).
2. Correspondence related to the operations of BI-SSSS shall be addressed to Operator with the following conditions:

- a. Correspondence related to the participation and operational of BI-SSSS shall be addressed to:

Bank Indonesia

Department of Payment System Management

c.q. Division of Fund Settlement and Securities Administration (Divisi Setelmen Dana dan Penatausahaan) Surat Berharga)

Building D 3rd Floor
Jl. M.H. Thamrin No. 2
Jakarta 10350

- b. Correspondence related to the monitoring of Participant compliance with BI-SSSS operations shall be addressed to:

Bank Indonesia
Department of Payment System Management
c.q. Division of Compliance and Payment System
Information of Bank Indonesia (Divisi Kepatuhan
dan Informasi Sistem Pembayaran Bank
Indonesia
Building D 3rd Floor
Jl. M.H. Thamrin No. 2
Jakarta 10350

3. Operator provides help desk to handle operational issues of BI-SSSS encountered by Participant through the following numbers:

Phone No. : 021-29818888
Facsimile : 021-2310485

4. In the event there is a change in the department's name, division's name, and/or address as referred to in number 2, and a change in telephone number and/or facsimile as referred to in number 3, Operator shall inform the changes through a letter and/or other means.

B. Operator Duties and Authorities

In operating BI-SSSS, Operator has duties and authorities as follows:

1. determine...

1. determine rules and procedures of BI-SSSS operations;
2. provide facilities and infrastructures of BI-SSSS operations, among others as follows:
 - a. hardware at Operator, and SCN application (software);
 - b. one data communication network connecting SPP at Participant to SCN at Operator.
 - c. SPP application and its enhancements as well as operating manual of BI-SSSS delivered by Operator through letters and/or other means;
 - d. Guest Bank Facilities; and
 - e. other supporting facilities and infrastructures including SI BI-SSSS.
3. conduct activities of BI-SSSS operations;
4. make efforts to guarantee reliability, availability, and safety of BI-SSSS operations, among others as follows:
 - a. conduct the management and operations of SCN;
 - b. conduct the management and operations of SI BI-SSSS;
 - c. provide help desks to handle issues as follows:
 - 1) BI-SSSS operations; and/or
 - 2) data communication network of BI-SSSS;
 - d. provide services related to membership in BI-SSSS;
 - e. determine operational time of BI-SSSS operations;
 - f. have a service level agreement in BI-SSSS operations;

g. determine...

- g. determine and enforce rules and procedures of Unforeseeable Condition and/or Emergency Condition handling;
 - h. provide training to candidates of Participant and regular training to Participant; and
 - i. determine the status of participation.
- 5. conduct monitoring of Participant compliance against the rules and procedures set by Operator;
 - 6. determine and impose administrative sanctions to Participant;
 - 7. determine the type and the amount of fee in the operations of BI-SSSS;
 - 8. conduct Administration activities as the Central Registry, i.e. including:
 - a. recording Securities issuance and also recording Securities holders upon Settlement results;
 - b. providing data and information related to the record of Securities issuance and record of Securities ownership;
 - c. executing Settlement on transactions of Securities, Transactions with Bank Indonesia and Transactions of Financial Market in the primary market and secondary market;
 - d. conduct Settlement on transactions as referred to in letter c by way of:
 - 1) debiting or crediting Fund Settlement Accounts of Participants or Cash Settlement Agents; and/or
 - 2) debiting or crediting Securities Accounts of Participants.
 - e. conduct Settlement on the imposition of administrative sanctions/penalties to the

participants...

participants of Monetary Operations and Sharia Monetary Operations;

- f. conduct cancellation of second leg Settlement upon transactions between Participants in secondary markets before maturity based on:
 - 1) request from one of the Participants conducting transactions based on the power of cancellation from the Participant's transaction counterparty;
 - 2) decision of the authority supervisory agency resulting the cancellation of the second leg Settlement; and/or
 - 3) ruling of the arbitration institution and/or court that already has a legal binding, resulting the cancellation of the second leg Settlement.
- g. conduct cancellation of the second leg Settlement on rollover automatically by the system in the event the Securities transacted entering the time limit of tradable Securities and Participants did not conduct cancellation of the second leg Settlement;
- h. conduct blocking of Securities upon request of the supervisory agency;
- i. conduct coupon/interest or reward payment, as well as principal/nominal payment upon Securities and instruments administered in BI-SSSS to the Participants, Securities holders and Sub-Registry; and
- j. debit the Fund Settlement Accounts of Participants that has functions as issuer in order to make coupon/interest or reward payment, and

also...

also s principal/nominal payment as referred to in letter i.

III. PARTICIPATION

A. General Provision of Participation

1. The Parties that can be Participants, are:

- a. Bank Indonesia;
- b. Ministry of Finance;
- c. Banks;
- d. LPP (depository and settlement institutions);
- e. Securities companies;
- f. Other institutions approved by Operator.

Other institutions can be Participants with the approval of Operator as long as the membership of the other institutions, among others supporting:

- 1) the implementation of the Securities transactions, and Transactions of Financial Markets Settlement in Indonesia that promotesafety and efficiency; and/or
- 2) the effectiveness of Bank Indonesia monetary policies.

2. Based on the functions of Participants in BI-SSSS, the parties referred to in letter 1 can be distinguished as follows:

- a. Issuers of Securities;
- b. Securities holders in Central Registry;
- c. Administrators for customers; and/or
- d. other functions determined by Operator.

3. Based on the use of accounts for Fund Settlement, the parties as referred to in letter 1 can be distinguished as follows:

- a. Participants...

- a. Participants which have Fund Settlement Accounts in Rupiah denomination and which are used for the implementation of Fund Settlement and/or payments of other obligations related to Administration activities in Rupiah denomination ;
- b. Participants which have Fund Settlement Accounts in foreign currencies and which are used for Fund Settlement and/or payments of other obligations related to the Administration activities in foreign currencies; and
- c. Participants which do not have Fund Settlement Accounts in Rupiah denominationy and/or in foreign currencies as of the Fund Settlement and/or payment of other obligations conducted through Cash Settlement Agents.

B. Participants Requirements

- a. Participant candidates must met the following requirements as follows:
 - a. having a valid business license from the competent authority ;
 - b. not in the process of liquidation or bankruptcy;
 - c. comply to the capital requirement in accordance with the applicable provisions;
 - d. already become participants in BI-RTGS System, in the event of the Participant candidates are Banks;
 - e. board of directors of the Participant candidates have obtained approval or declared have passed the fit and proper test from the competent supervisory institution;

- f. in the event the Participant candidates will link the internal system of the Participant candidates to BI-SSSS, then the Participant candidates shall have the report of the safety audit results on the internal system of the Participant candidates within the past one (1) year;
- g. in the event the Participant candidates are not Participants of BI-RTGS System, they shall appoint one (1) Cash Settlement Agent for the need of debiting and/or crediting funds in Rupiah currency, intended for:
 - 1) charging fee of BI-SSSS;
 - 2) charging administrative sanctions/penalties on the violations to Bank Indonesia regulations, among others the regulation on Monetary Operations and/or Sharia Monetary Operations;
 - 3) Fund Settlement upon transactions of Securities, Transactions with Bank Indonesia, and Transactions of Financial Markets; and
 - 4) Receiving payments of coupon/interest or reward and settlement of Securities principal/nominal payment at maturity date.
- h. In the event the Participant candidates will conduct Securities transactions in foreign currencies, they have to appoint one (1) Cash Settlement Agent for the need of debiting and/or crediting funds in foreign currencies, intended for:
 - a) Fund Settlement upon the transactions of Securities in foreign currencies;
 - b) receiving...

- b) receiving payments of coupon/interest or reward and Securities principal/nominal payment in foreign currencies at maturity date; and
- 3) charging administrative sanctions for paying penalties on the violations of Bank Indonesia provisions, among other the provision on Monetary Operations and/or Sharia Monetary Operations;
- b. Participant candidatesshall use BI-SSSS infrastructures in accordance with specification that has been determined by Operator as referred to in Attachment I.
- c. In the event the infrastructure as referred to number2 is subject to other party authority , the Participant candidate shall meet the following requirements:
 - a. having a statement from the other party on the use of its infrastructure by the Participant candidate;
 - b. having a joint agreement of infrastructure usage with the other party in managing BI-SSSS infrastructure, at least containing the following matters:
 - a) arrangement on the rights and obligations of the Participant and the other party;
 - b) responsibilities for the confidentiality and/or misuse of data and information;
 - c) mechanism on the implementation of instruction deliveries both in normal condition and in the occurrence of UnforseeableUnforseeable Condition or

- Emergency Condition at the Participant or the other party;
- d) arrangement on the disputes settlement between the Participant and the other party;
 - e) fee of infrastructure usage charged to the Participant candidate.
 - f) grant access to Operator to conduct inspection directly to:
 - a) physical facilities;
 - b) supporting application of the other party related to BI-SSSS; and/or
 - c) operational activities of the other party related to the Participant candidate.
 - g) statement that the said agreement is not in contradict with Bank Indonesia regulation;
- c. in the event the Participant candidate is a Sharia Business Unit (UUS) and/or a unit or division at a Bank conducting a custodian function and using infrastructure belonging to its parent Bank which is a Participant, then the clause as referred to in letter b shall be embodied in the form of internal written policy and procedure of the Bank.
- d. In the event the Participant candidate submit an application to be a Sub-Registry, it has to meet additional requirements as follows:
- 1) has a valid license to conduct custodial activities from the competent competent supervisory institutioncompetent supervisory institutioninstitution;
 - 2) domiciled in the Indonesia jurisdiction

- 3) has experiences no less than three (3) years in the activities of securities administration and/or no less than three (3) years in the activities of securities depository since obtaining the license from the competent supervisory institution.
 - 4) has an administration system of securities integrated with and inter branch offices owned in the country;
 - 5) has a scripless administration system of securities by way of a secured, accurate, and trusted book-entry that at least able to administer outright, Repo, and collateralization transactions;
 - 6) at the time of application submission, the administrator of the prospective non-Bank Sub-Registry is not included in the list of non-performing loan (DKM) and national black lists (DHN);
 - 7) has a separate work unit specifically handling custodial activities;
 - 8) the recorded and/or stored Securities at minimum shall reach a monthly average nominal value of Rp1,000,000,000,000.00 (one trillion rupiah) in the last six (6) months, consisted of securities that can be traded in money markets and/or capital market; and
 - 9) has a business network facility of recording and/or storing securities integrated with and inter branch offices owned in the country.
- e. In the event the Participant is a Bank conducting business activities conventionally and also conducting business activities based on sharia

principle...

principle in the form of a sharia business unit, the membership in the operations of BI-SSSS for the conventional business activities must be separated from the participation for the business activities based on sharia principle.

- f. In the event the Participant conducts activities as a Sub-Registry, its participation as the Sub-Registry must be separated from the participation in other functions.

C. Procedure to become Participants

The procedure to become Participants in BI-SSSS operations is regulated as follows:

- a. Participant candidates shall submit an application letter to be Participants to Operator by using the format as referred to in Example 1 of Attachment II.
- b. In the event the Participant candidate is UUS and/or unit or division of Bank conducting custodial function, it should be described in the application letter that the application is submitted by the Bank using the format as referred to in Example 1 of Attachment II.
- c. The application letter as referred to in letter 1 must be completed with the following documents:
 - 1) Participation data with the format as referred to in Example 2 of Attachment II.
 - 2) A photocopy of a valid business license approval document from the competent authority competent authority verified by the authorized official or certified according to its original by the Management of the Participant candidate, in the event the Participant candidate is not a participant of BI-RTGS System.

- 3) A photocopy of Articles of Association of the company along with its latest amendment, in the event the Participant candidate is not a participant of BI-RTGS System.
- 4) A statement letter from the management of the Participant candidate stating that the Participant candidate is not in the process of liquidation or bankruptcy.
- 5) Photocopy of the letter from the competent supervisory institutioncompetent supervisory institutionon:
 - a) the decision result of fit and proper test for Participant candidate of Bank; or
 - b) approval to be the management for non-Bank Participant candidates.
- 6) A statement letter from the management stating that the Participant candidate has meet capital requirement in accordance with the regulation governing the capital fulfillment.
- 7) A statement from the management concerning the infrastructure readiness and containing information on the infrastructure specification as determined by Operator by using the format as referred to in Example 3 of Attachment II.
- 8) An application letter from the management to obtain a connected user and Digital Certificate by using the format as referred to in Example 4 of Attachment II.
- 9) Reports of safety audit results on internal system of the Participant candidate conducted by internal auditors or independent auditors, in the

event the internal system of the Participant candidate will be linked to BI-SSSS.

In the event the safety audit is conducted by internal auditors, it shall be completed with a statement letter from the management of the Participant candidate stating that the implementation of the safety audit is done independently.

- d. In the event the Participant candidate using other party's infrastructure, the application letter as referred to in number 1 must be completed with additional documents in the form of:
 - 1) a statement letter from the other party on the use of its infrastructure by the Participant candidate as referred to in Example 5.A of Attachment II; and
 - 2) a statement letter from the management of the Participant candidate that the Participant candidate already has an agreement on BI-SSSS infrastructure usage managed by other party as referred to in Example 5.B of Attachment II.
- e. In the event the Participant candidate conducts activities as a Sub-Registry, the application letter as referred to in letter 1 must be completed with additional documents as follows:
 - 1) A photocopy of approval letter or a valid business license as Custodian from the competent supervisory institution.
 - 2) A statement letter from the management of the Sub-Registry candidate that the candidate of the Sub-Registry Manager is not included in the

- non-performing loan list (DKM) and also not listed in the national black list (DHN).
- 3) Information on the business network facility of recording and/or storing securities integrated with and inter-branches owned in the country.
 - 4) Data concerning the number and nominal value of the recording and/or storing of the securities in the last six (6) months.
 - 5) A Statement letter from the management stating that the Participant candidate has a scripless administration system of Securities that is secured, accurate, and trustworthy.
 - 6) Latest annual financial statement audited by a public accountant.
- f. The application letter as referred to in number 1 is signed by the management of the Participant candidate or the authorized party acts for and on behalf of the Bank or agency/institution of the Participant candidate and submitted to Operator at address as referred to in point II.A.2.a.
- g. For Participant candidates which head offices domiciled in the working area of KPwDN, the application letter as referred to in number 1 shall be submitted to Operator with a copy to the local KPwDN.
- h. In the event the Participant candidates are participants of BI-RTGS System and documents submitted to Operator of BI-RTGS System are the same with the supporting documents at BI-SSSS, the documents referred to in number 3, are not required to be submitted to Operator.

- i. If required, the Participant candidates must show the authentic documents as referred to in item 3 up to number 5 to Operator.
- j. Based on the application letter as referred to in item 1, Operator is authorized to conduct inspection to the location of the Participant candidates to ensure, among others, the conformity of the information in the documents submitted and the readiness of BI-SSSS infrastructure.
- k. Operator shall grant the approval in principle or rejection upon the application of any Participant candidate as referred to in number 1, no longer than 25 (twenty five) working days as of the receipt of the complete application and supporting documents by Operator, with the following conditions:
 - 1) In the event the application of the Participant candidate is rejected, Operator shall send a rejection notification letter accompanied by explanation on the reasons of rejection.
 - 2) In the event the application of the concerned Participant candidate is approved, Operator shall send a letter of approval in principle containing among others matters as follows:
 - a) approval to be a Participant;
 - b) name and code of the participant;
 - c) activities that must be conducted by the Participant candidate among others:
 - a) training;
 - b) installation; and
 - c) signing of BI-SSSS usage agreement.
 - d) administrative documents completeness that must be fulfilled by the Participant candidate

for the implementation of operational activities.

1. The completeness of the administrative documents as referred to in point 11.b.4) shall cover:

- 1) A notification letter on the name and position of the management who will sign the agreement of BI-SSSS usage using the format as referred to in Example 6.A of Attachment II.

In the event the signing of agreement will be conducted by the officer other than the management, a power of attorney is required from the management, using the format as referred to in Example 6.B of Attachment II.

- 2) A letter of notification on the management authorization using the format as referred to in Example 6.C of Attachment II.

- 3) A power of attorney related to the membership and operations of BI-SSSS shall be governed by the following conditions:

- a) Management may give a power without a substitution right or with one (1) time substitution right using the power of attorney format as referred to in Example 7 of Attachment II.

- b) The power of attorney as referred to in number 1) shall be valid for one (1) office of Bank Indonesia.

- c) The power of attorney as referred to in number 1) shall be made to conduct activities as follows:

- a) Signing of correspondences, reports, and/or other documents, both written

documents...

- documents and electronic documents, related to the membership and operational of BI-SSSS;
- b) Management of connected user, digital certificate hard token, and/or digital certificate soft token;
 - c) delivering and/or collecting letters, reports, and other documents, both written documents and electronic documents, related to the participation and operational of BI-SSSS; and/or
 - d) delivering and/or collecting connected user, digital certificate hard token, and/or digital certificate soft token.
- d) Management or authorized officers with one (1) time substitution right may give authorization without substitution right to the officers at head offices or branch offices of the Participant candidates, only to carry out activities as referred to in item 3).c.).
 - e) The number of authorized officers to conduct activities as referred to in number 3) in the power of attorney shall not more than ten (10) people.
 - f) Matters endorsed in the Power of Attorney as referred to in number 3) can be included into one (1) or more power of attorney letters in accordance with the needs of the Participant candidates.
 - g) The power of attorney as referred to in number 3) shall be completed with

photocopies of identities from the authorized officers in the form of:

- (1) Identity card (*KTP*), driving license (*SIM*), or passport for Indonesian Citizens; or
- (2) Valid Passport, Temporary Residence Permit (*KITAS*), and Work Permit from the competent institutions for Foreign Citizens.

- 4) A letter of application from the management or authorized officers to make signature specimen for:
 - a) management or authorized officers; or
 - b) officers given the authorization to conduct activities as referred to in point c.3),using the format as referred to in Example 8.A of Attachment II.
- 5) In the event the Participant candidates are participants of BI-RTGS System, the Participant candidates may add the authorization of the signature specimen owners in BI-RTGS System with authority in BI-SSSS operations, by submitting a letter on the additional authority of the concerned officer to Operator. The notification letter regarding the additional authority, can be combined with the application letter on the signature specimen making as referred to in Example 8.B of Attachment II.
- 6) A letter of appointment for the Cash Settlement Agent signed by the management or authorized officer of the Participant candidate who has signature specimen in Operator as referred to in Example 9.A of Attachment II completed with:

a) confirmation...

- a) confirmation letter from the Cash Settlement Agent as referred to Example 9.B of Attachment II; and
 - b) letter of authorization of debiting the Fund Settlement Account from the Cash Settlement Agents to Operator as referred to Example 9.C of Attachment II.
- 7) A letter of request for access to SI BI-SSSS, in the event the Participant candidate is a Sub-Registry.
- m. Based on administration document submitted by the Participant candidate as referred to in number12, Operator shall send a letter to inform matters related to the signing of BI-SSSS usage agreement, the making of signature specimen for the management and officials or authorized officers from the management, the collecting of Digital Certificate, training time for BI-SSSS utilization, and time for data communication network installation.
- n. Based on the letter as referred to number13, the Participant candidate must conduct the following matters:
- 1) signing the agreement on BI-SSSS usage as referred to in Attachment IX;
 - 2) collecting documents of connected user, digital certificate, hard token, and/or digital certificate soft token which implementation shall be conducted by the management or authorized officers representing the Participant candidate who has signature specimen in Bank Indonesia.
 - 3) involving officers who will handle technical operational to Participant candidates in the

technical...

technical and operational training of BI-SSSS utilization; and

- 4) performing BI-SSSS connection test of the Participant candidates, along with Operator upon SPP that has been installed by Operator.
- o. Participant candidates shall submit the entire completeness of administrative documents as referred to number12 to Operator with address as referred to pointII.A.2.a.
- p. Participant candidates shall fulfill administrative documents requirements as referred to number12 and shall comply with the provision as referred to number14, maximum 60 (sixty) working days since the date of the approval in principle from Operator as referred to in item 11.
- q. In the event the Participant candidate does not meet the requirements within time limit as referred to number16, so principle approval application as a Participant becomes not applicable.
- r. In the event the Participant candidate is a Sub-Registry, the letter of principle approval as referred to number11 shall also contain information aboutuser administrator and password of SI BI-SSSS collection as well as training on the use of SI BI-SSSS.
- s. Maximum 14 (fourteen) working days after Participant candidates implementing the provision as referred to number16, Operator shall notify in writing regarding the operational approval as Participants and the effective operational date as Participants to:
 - 1) the concerned Participant candidates through a letter; and

- 2) all participants through administrative messages or other means.

D. Changes in the Participation Data

Scope of changes in the participation data among others include changes in the participant code, participant name, business activities, office address, location of Main SPP, management data, Cash Settlement Agent, changes in power, use of infrastructure and/or data communication network. Provisions and procedures of changes in participation data shall be regulated as follows:

1. Changes of Participant Code

Changes of participant code maybe due to, among others, Participants which previously were not members of Society for Worldwide Interbank Financial Telecommunication (SWIFT) have become members or due to the change in SWIFT Bank Identifier Code (BIC) from the Participants.

Procedure of changes in participant code shall be arranged as follows:

- 1) Participants submit an application letter for changes in participant code to Operator by attaching:
 - a) Membership data as referred to Example 2 of Attachment II; and
 - b) supporting documents that shows membership of SWIFT or the change in SWIFT BIC from Participants.
- 2) The letter of application as referred to letter a shall be signed by the authorized official of the Participants who have signature specimen in Operator and submitted to Operator with the following conditions:

a) the...

- a) the letter is sent to the address as referred to point II.A.2.a.; and
 - b) for Participants domiciled in the working area of KPwDN, the application letter shall be sent with a copy to the local KPwDN.
 - 3) In the event the documents submitted by Participants are incomplete, Operator shall deliver responses through a letter which delivery can be preceded by a facsimile to the concerned Participant no later than 14 (fourteen) working days.
 - 4) Operator will inform the effective date of the change in participation code of Participants in BI-SSSS no later than 14 (fourteen) working days since the documents received completely to:
 - a) the concerned Participant through a letter which delivery can be preceded by a facsimile; and
 - b) all Participants through administrative messages or other means.
2. Changes of Participant Name
- a. Participants shall submit a notification letter to Operator by attaching the documents as follows:
 - 1) Membership data as referred to Example 2 of Attachment II using the name specified in the amendment to the Articles of Association that has been approved by the competent authority; and
 - 2) photocopies of documents that have been legalized by the authorized officials or certified as originals by the management of

the...

the Participant who has signature specimen in Operator in the form of:

- a) deed of amendment to the Articles of Association for Indonesian legal body;
- b) approval letter of amendment to the Articles of Association from the competent authority; and
- c) Decree from the competent authority concerning the changes in name, in case of non-Bank Participants.

Specifically for Banks which head offices domiciled overseas may submit only the decree as referred to letter c).

- b. Notification letter as referred to letter a shall be signed by the Participants who have signature specimen in Operator and shall be submitted to Operator with the following conditions:
 - 1) the letter shall be sent to the address as referred to point II.A.2.a.; and
 - 2) for participants domiciled in the working area of KPwDN, the application letter shall be submitted with a copy to the local KPwDN.
- c. Operator shall notify through a letter concerning the effective changes in Participant name data or a written response on the completeness of documents to the Participants no longer than 14 (fourteen) working days after the notification received by Operator.
- d. Operator shall notify the changes in participation data related to the changes in Participant name

to all Participants through administrative message or other means.

3. Changes in Participation Data Due to Changes in Business Activities

Changes in the participation data related to the change in business activities of Participants from conventional commercial banks to become sharia banks can cause changes in the data of Participants among others, participant name, participant business activities, and/or participant code. The procedure for the change in participant data due to the change in participant business activities shall be regulated as follows:

- a. Participants submit a notification letter using the format as referred to Example 12 of Attachment II.
- b. The notification letter as referred to letter a, shall be completed with photocopies of documents legalized by the authorized official or certified as originals by the management of the Participant who has signature specimen in Operator in the form of:
 - 1) deed of amendment to the Articles of Association;
 - 2) approval letter of amendment to the Articles of Association from the competent authority; and
 - 3) decree from the competent authority concerning the permission on the changes in business activities from the conventional commercial banks to sharia banks.

c. The...

- c. The notification letter as referred to letter a shall be signed by the authorized official who has signature specimen in Operator and to be submitted to Operator with the following conditions:
 - 1) the letter shall be sent to the address as referred to point II.A.2.a.; and
 - 2) for Participants domiciled in the working area of KPwDN, the application letter shall be submitted with a copy to the local KPwDN.
 - d. Operator shall notify through a letter the effective date of the change in the Participant business activities or a written response upon the completeness of documents to the concerned Participant no longer than 14 (fourteen) working days after the notification received by Operator.
 - e. Operator shall notify the change in the participation data related to the change in the Participant business activities to all Participants through administrative message or other means.
4. Change in Office Address of Participants
- Procedure of the change in participation data related to the change in the head office address of Participants and the address of branch offices of banks domiciled in overseas shall be governed as follows:
- a. Participants submit a notification letter to Operator by attaching documents of:
 - 1) membership data as referred to Example 2 of Attachment II; and

2) photocopy...

- 2) photocopy of the approval letter or receipt of notification on the change in office address from the competent authority that has been legalized by the authorized official or certified as originals by the management of the Participant who has signature specimen in Operator.
 - b. The notification letter as referred to letter a shall be signed by the authorized official of the Participant who has signature specimen in Operator and submitted to Operator with the conditions as follows:
 - 1) the letter shall be sent to the address as referred to item II.A.2.a.; and
 - 2) for Participants domiciled in the working area of KPwDN, the application letter shall be submitted with a copy to the local KPwDN.
 - c. Operator submit a notification letter stating that the change in the Participant address has been recorded in Operator administration or a written response on the completeness of documents to the Participant no longer than 14 (fourteen) working days after the notification received by Operator.
5. Changes in the location of the Main SPP and the main data communication network of Participants
Procedure for the change in the Main SPP of Participants is governed as follows:
 - a. Participants submit a notification letter on the change in the location of the Main SPP and the transfer of the data communication network, by

attaching...

attaching the membership data form by using the format as referred to Example 2 of Attachment II.

b. The notification letter as referred to letter a shall be signed by the authorized official from the Participant who has signature specimen in Operator and submitted to Operator with the following conditions:

- 1) the letter shall be sent to the address as referred to in item II.A.2.a.; and
- 2) for Participants domiciled in the working area of KPwDN, the application letter shall be submitted with a copy to the local KPwDN.

c. Operator submit a notification letter containing:

- 1) change in the location of the Participant Main SPP has been recorded in Operator administration;
- 2) implementation of the data communication network movement; and
- 3) matters that must be conducted by Operator related to the change in the location of Main SPP.

6. Changes in the Management Data

Procedure of changes in the management data covers name, authority, and/or position of management shall be regulated as follows:

- a. Participants submit a notification letter concerning changes in name, authority, and/or position of the management using the format of letter as referred to Example 13 of Attachment II.
- b. The notification letter as referred to in letter a shall be attached with the following documents:

- 1) photocopy...

- 1) photocopy of the amendment to the Articles of Association concerning the appointment of the management, for Participants incorporated in Indonesia;
- 2) a photocopy of proof of identity of the management in the form of:
 - a) Identity card (*KTP*), or driving license (*SIM*) or passport for Indonesian Citizens; or
 - b) Passport, Temporary Residence Permit (*KITAS*), and Work Permit from the authorities for Foreign Citizens, that still valid.
- 3) For the new management of the Participants, other than fulfill the requirements as referred to number 1) and 2), they also have to complete document requirements in the form of:
 - a) photocopy of the letter from the competent authority concerning the Participant management structure listed in the administration of the competent authority or the fit and proper test approval from the competent supervisory institution for the prospective candidates of Bank Board of Directors ;
 - b) photocopy of power of attorney from the head office of the concerned Bank domiciled in overseas to the management of the branch office including its translation to Indonesian

done by the sworn translator, for the Bank branch office with the head office domiciled abroad;

- c) photocopy of a valid organizational structure, for branch offices of Banks with the head office domiciled abroad.
- 4) In the event there are changes in the authority and/or position of management, the notification letter shall be completed with a statement letter on the validity of the management signature specimen using the format as referred to Example 14 of Attachment II.

Photocopies of documents as referred to number1), number2), and number3) must be legalized by the authorized officials or certified as authentic by the Participant management who have signature specimen in Operator.

- c. The notification letter as referred to in letter a shall be signed by the Participant's authorized officials who have signature specimen in Operator and submitted to Operator with the following conditions:
 - 1) the letter shall be sent to the address as referred to point II.A.2.a.; and
 - 2) for Participants domiciled in the working area of KPwDN, the application letter shall be submitted with a copy to the local KPwDN.
- d. In the event the changes in the management data include the change in the new management, then the new management shall make signature

specimen...

specimen before Operator officials after the documents as referred to in letter a and letter b received in full by Operator.

- e. In the event the Participant submitting the notification on the changes in the management data is a participant of BI-RTGS System and the new management already has signature specimen in BI-RTGS System, the said Participant can request for additional authority of the management owning the signature specimen in BI-RTGS System with the authority in BI-SSSS operations, using the format as referred to in Example 8.B of Attachment II.
- f. The signature specimen as referred to letter d will be effective since the notification from Operator regarding the effective date on the validity of the signature specimen or no longer than 5 (five) working days since the date of the signature specimen making.
- g. Signature specimen for the management whose authority has been revoked related to the membership in BI-SSSS shall be declared invalid, effective since the date of the notification letter on the change in the management authority received completely by Operator.

7. Changes in Cash Settlement Agents

Procedure on the changes in Cash Settlement Agents shall be regulated as follows:

- a. Participants submit an application letter to Operator attaching the following documents:

- 1) the appointment letter of the Cash Settlement Agent as referred to in Example 9.A of Attachment II;
 - 2) the confirmation letter of the Cash Settlement Agent as referred to Example 9.B of Attachment II; and
 - 3) authorization letter for debiting the Fund Settlement Account as referred to Example 9.C of Attachment II.
- b. The application letter as referred to letter a shall be signed by the authorized officials having signature specimen in Operator and submitted to Operator with the following conditions:
- 1) the letter shall be submitted to the address as referred to item II.A.2.a.; and
 - 2) for Participants domiciled in the working area of KPwDN, the application letter shall be submitted with a copy to the local KPwDN.
- c. Operator shall send a written response through a letter which submission can be preceded by a facsimile to participant no longer than 14 (fourteen) working days concerning:
- 1) rejection on the change in the Cash Settlement Agent along with the reason for rejection; or
 - 2) approval for the change in the Cash Settlement Agent along with the effective date of the change in the Cash Settlement Agent
8. Changes in Authorization

changes...

Changes in authorization shall be made in regard to the additions, changes, and/or revocations of authorization of the officials/officers.

The conditions and procedures of changes in power/authorization shall be regulated as follows:

- a. In the event of additions and/or changes in the authorization of officials, and/or officers, the concerned Participant shall conduct the following matters:
 - 1) submit a notification letter on the additions and/or changes in the authorization of the officials, and/or officers and also a request for the making of signature specimen using the format as referred to Example 15 of Attachment II.
 - 2) regulation, requirements, and procedures of granting the power shall be adhere to point C.12.a and point C.12.c.

The said addition of power shall be effective no longer than 5 (five) working days since the documents as referred to number 1) and number 2) received in complete and the requirements of the signature specimen has been met.

- b. In the event of revocation of all or a part of the power to the authorized officials and/or authorized officers, the Participant must submit a statement letter of authorization revocation signed by the management or the endorser using the format as referred to Example 16 of Attachment II.

The revocation of the whole or a part of the power shall become effective as of the date of the power

revocation...

revocation statement letter received completely by Operator.

- c. In the event there are changes in the authority in the power of attorney given to the authorized officials and/or authorized officers, Participants shall submit a notification letter with attachment of a new power of attorney using the format as referred to Example 7 of Attachment II.
 - d. The notification letter of the change in power shall be submitted to:
 - 1) Operator, to the address as referred to point II.A.2.a for the authorized officials and/or authorized officers in the area of KPBI; or
 - 2) KPwDN for the authorized officials and/or authorized officers in the area of KPwDN.
 - e. In the event Participants do not submit a notification on the changes in authority of the authorized officials and/or officers to Operator, then the data administered in Operator shall be considered valid.
9. Changes in the Use of Infrastructure
- a. Changes in the use of infrastructure include:
 - 1) changes in the use of self-managed infrastructure to the use of infrastructure managed by other party;
 - 2) changes in the use of infrastructure managed by other party to the use of self-managed infrastructure; or
 - 3) changes in the use of infrastructure managed by other different party.

b. Procedure...

- b. Procedure of changes in the membership data related to the changes in the use of infrastructure shall be regulate as follows:
 - 1) Participants shall submit an application letter for the changes in the use of infrastructure to Operator attaching the following documents:
 - a) participation data as referred to Example 2 of Attachment II;
 - b) statement letter from the management stating the readiness of the infrastructure and containing information of infrastructure specification as set by Operator as referred to point C.3.g.
 - c) in the event Participants use infrastructure managed by other party, then other than attaching documents as referred to letter a) and letter b) Participants also shall complete the documents as referred to point B.3.a and point B.3.b.
 - 2) The application letter as referred to in number 1) shall be signed by the authorized officials who have signature specimen in Operator and submitted to Operator with the following conditions:
 - a) the letter shall be sent to the address as referred to point II.A.2.a.; and
 - b) for Participants domiciled in the working area of KPwDN, the application

letter...

letter shall be submitted with a copy to the local KPwDN.

- 3) Operator can conduct inspection to the location of the infrastructure used by the Participant.
 - 4) Operator shall send a written response through a letter which the submission may be preceded by a facsimile to the Participant concerning:
 - a) rejection of the changes in the use of the Participant infrastructure along with the reason of rejection; or
 - b) approval for the change in the use of Participant infrastructure along with the effective date of the change in the use of the Participant infrastructure.
10. In the event Participants are participants of BI-RTGS System and the supporting documents submitted to Operator of BI-RTGS System are the same as the supporting documents in BI-SSSS, as of the supporting documents for the change in participation data as referred to number 1 up to number 9 is not required to be submitted to Operator.
11. In the event of any discrepancy between the signature in the supporting document of the changes in data and the signature specimen of the authorized officials or officers administered in the Participant, then the concerned Participant shall submit a statement letter on the discrepancy of signature as referred to in Example 17 of Attachment II.

E. Status of Participation and its Changes

1. Participation Status

The...

The participation status in BI-SSSS for Participants is differentiated to:

a. Active

Participants with active status may perform all functions in SPP according to the type of membership and access right of the concerned Participant.

b. Suspended

1) Participants with suspended status may not perform certain activities in BI-SSSS in accordance with the limitation carried out by Operator.

2) Participants with suspended status can send or receive instructions, although the instructions on the activities being limited will be processed according to the procedure after the status of the concerned Participant active again.

3) Suspended status is not applicable for Participants with function as the issuer and Sub-Registry.

c. Freeze

1) Participants with freeze status may not send and receive all instructions through BI-SSSS.

2) Participants with freeze status may still have access to information or synchronized data from SCN to SPP.

3) Freeze status is not applicable for Participants with function as issuer and Sub-Registry.

d. Closed

Participants with closed status are Participants whose membership in BI-SSSS have been terminated and may not be reactivated as Participants.

2. Connection on the Participation Status of BI-SSSS and BI-RTGS System

In the event Participants are the participants of BI-RTGS System, the change in the participation status in BI-RTGS System becoming freeze or closed will impact to the change in the same membership status in BI-SSSS.

3. Changes in Membership Status

a. Conditions of changes in membership status

1) Changes in membership status can be performed from:

- a) active to suspended status or vice versa;
- b) active to freeze status;
- c) active to closed status;
- d) suspended to freeze status; or
- e) freeze to closed status.

2) The changes in membership status as referred to number 1) shall be performed by Operator based on the following matters:

- a) Imposition of administrative sanctions by Operator based on among others compliance monitoring results of Participants, evaluation of improvement results conducted by Participants, and/or impacts of Participants toward the disruption of BI-SSSS security.
- b) written request from the competent supervisory institution to supervise the

activities...

activities of Participants, among others Bank Indonesia as the supervisory authority of macro-prudential and payment system, and Financial Services Authority as the supervisory authority of micro-prudential, which is based on the following consideration:

- (a) results of supervision conducted by the competent authority; and/or
 - (b) decision on the revocation of the business license from the competent supervisory institution.
- c) written request from the concerned Participant to change the status from active status to closed based on among others due to self-liquidation, merger, consolidation, spin-off, or other reasons in accordance with the applicable legislation and has already obtained the approval from Operator or the competent supervisory institution.
- 3) In case changes in the participation status to closed will be conducted, the following conditions shall be applied:
- a) Participants shall complete all obligations in the implementation of BI-SSSS, among others fees of BI-SSSS usage, payment of funding facilities obtained from Bank Indonesia, and second leg transactions not yet due.
 - b) Participants perform transfer of the balance of the Securities Account to the

account...

account set by Participants in order to make the balance zero.

- c) Operator may transfer the Securities Account balance on behalf of Participants to the account set by Operator based on power of attorney, if Participants do not perform transfer of the Securities Account balance as referred to letter b).
 - d) Operator shall change the participation status to closed, after the Securities Account has a nil balance.
- 4) In particular, changes in the membership status to closed status due to merger, consolidation, or spin off, the settlement of rights and obligations as referred to point 3)a) shall be transferred to the Participants resulted from the merger, consolidation, or spin-off based on takeover affidavit of the rights and obligations from the Participants of merger, consolidation, or spin-off.
- 5) In the event the change in participation status of Sub-Registry to closed status, the following conditions shall be applicable:
- a) Sub-Registry must transfer the Securities ownership of its individual customer to the other Sub-Registry appointed by the concerned customer
 - b) The transfer of Securities ownership as referred to letter a) shall be conducted no later than 5 (five) working days prior to

the...

the closing date of Sub-Registry participation.

- c) Sub-Registry shall submit a letter of application for closing the membership preferring to the Example of the format of application letter for closing participation to Operator in Example 18 of Attachment II.
- 6) In the event changes in the status of Participants occurs, Operator shall inform the change in the status of Participants to:
 - a) the concerned Participant through a letter which submission may be preceded by a facsimile;
 - b) all Participants through administrative messages or other means determined by Operator; and/or
 - c) the agencies authorized in conducting supervision to the activities of Participants through a letter which submission may be preceded by a facsimile.
- b. Procedure of changes in participation status upon a written request from the agencies authorized in performing supervision to the activities of Participants, shall be governed as follows:
 - 1) Competent authority in submitting change in membership status shall submit a letter of application for the change in membership status to the Governor of Bank Indonesia

with...

with a copy to Operator submit to the address as referred to point II.A.2.a.

- 2) The application letter as referred to number 1) shall contain among others the following:
 - a) name of the Participant and change in the requested status of participation;
 - b) reason of change in the status of membership; and
 - c) effective date of the change in the status of membership.
- 3) In the event the change in the status of participation requested is the change to suspended status, the application letter as referred to number 1) shall also contain limitation of suspension covering suspension to certain activities in BI-SSSS.
- 4) The application letter as referred to number 1) shall be included by supporting document as follows:
 - a) photocopy of a letter from the competent authority underlying the reason of change in the membership status; or
 - b) a photocopy of the decision letter on the revocation of license for business activities from the competent authority.
- 5) Based on the application letter as referred to number 1), Operator shall approve and change the membership status after:
 - a) documents as referred to number 2) and number 4) have been received completely; and

b) the...

- b) the concerned participant has met terms and conditions as referred to point a.3) and point a.5), in the event the membership status change to closed.
- 6) Operator shall inform the change in the status of the Participant to the party as referred to point a.6).
- c. Procedure for the change in the status of participation from active to closed status upon a written request from the concerned Participant.
 - 1) Participants submit an application for the closing of participation to Operator by attaching documents as follows:
 - a) photocopy of the decree in the revocation of business license, in the event the Participant performs self-liquidation; or
 - b) other related documents on reasons for the change in the membership status conducted based on other reason that has already obtained approval from Operator or the competent supervisory institution of the Participant activities.
 - 2) The application letter as referred to number 1) shall be signed by the management which has signature specimen in Bank Indonesia and submitted to Operator with the following conditions:
 - a) the letter shall be submitted to Operator in the address as referred to point II.A.2.a; or
 - b) for Participants domiciled in the working area of KPwDN, the application

letter...

letter shall be submitted to Operator with a copy to the local KPwDN.

- 3) Based on the application letter as referred to in number1), Operator shall approve and change the membershipstatus after:
 - a) documents as referred to number1) have been received completely; and
 - b) Participants have met the terms and conditions as referred to pointa.3) and pointa.5).
 - 4) Operator shall inform the closing of the Participant membershipin BI-SSSS to the party as referred to pointa.6).
4. Changes in Participation Status Due to Merger, Consolidation, or Spin-off
- a. Changes in Membership Status Due to Merger
- Procedure for change in membership status due to merger shall be regulateas follows:
- 1) Each Participant that mergeshall submit an application letter for closing its membershipthat at least containing:
 - a) approval for the merger from the competent authority;
 - b) implementationtime for merging operationally in BI-SSSS;
 - c) implementationtime for make the Securities Account of Participants balance become zero, i.e. no later than 1 (one) working day prior to the implementationof operational transision in BI-SSSS operations.

d) application...

- d) application for the closing of BI-SSSSmembership;
- e) transfer of rights and obligations related to the membership in BI-SSSS from the merging Participant to the Participant receiving the merger, effective as of the date of legal merger; and
- f) revocation of signature specimen of the management or other officials of the merging Participant, effective as the date of legal merger.

Example of the format of application letter for closing of participation to Operator as referred to Example 18 of Attachment II.

- 2) The letter as referred to]number 1) shall be completed with a photocopy of the decision letter from the competent authority approving the merger that has been legalized by the authorized official or certified as the original by the management.
- 3) The Participant receiving the merger shall submit a notification letter of merger containing at least:
 - a) approval of merger from the competent authority;
 - b) information concerning the Participant receiving merger and the merging Participant;
 - c) implementation time:
 - (a) operational transition in the operations of BI-SSSS from the

merging...

- merging Participant to the Participant receiving merger;
 - (b) transfer of the Securities Account balance of the merging Participant to the Securities Account of the Participant receiving merger; and
 - (c) closing of the participation in BI-SSSS from the merging Participant;
 - d) takeover of rights and obligations of the merging Participant by the Participant receiving merger as of the date of merger legally; and
 - e) information regarding the merger announcement published in nationwide daily newspaper, using the format as referred to Example 19 of Attachment II.
- 4) The notification letter as referred to number3) shall be completed with document requirements as follows:
- a) statement letter containing at least:
 - (1) takeover of rights and obligations of the merging Participant as of the date of the legal merger;
 - (2) enactmentsignature specimen for the Participant receiving merger and affirmation of the merging Participant signature specimen status; and
 - (3) takeover of the authority and operational responsibility of the merging Participant as of the date of legal merger up to the

implementation...

implementation date of operational merging in BI-SSSS.

using the format as referred to Example 20 of Attachment II.

b) photocopy of documents legalized by the authorized official or certified as authentic by the management in the form of:

- (1) deed of merger;
- (2) deed of amendment to the Articles of Association of the Participant receiving merger;
- (3) permit of merger from the competent authority granting approval on the merger;
- (4) approval letter on the amendment to Articles of Association from the Ministry of Law and Human Rights or registration documents of Deed of Merger and Deed of Amendment to Articles of Association in the List of Companies; and
- (5) merger announcement published in the nationwide daily newspaper.

5) The letter as referred to in number 1), number 3), and point 4) a) shall be signed by the management who has signature specimen in Operator and submitted to Operator with the following conditions:

- a) the letter shall be sent to the address as referred to point II.A.2.a.; and

b. for...

- b. for Participants domiciled in the working area of KPwDN, the application letter shall be submitted with a copy to the local KPwDN.
- 6) Operator inform the Participant receiving merger through a letter concerning the approved implementation time of operational merger in BI-SSSS along with matters that must be done by the concerned Participant, after the documents as referred to number 1), number 2), number 3), and number 4) received completely.
- 7) Operator inform all Participants through administrative messages or other means concerning the approved implementation of operational merger in BI-SSSS and the closing of participation of the merging Participant in BI-SSSS.
- 8) Each merging Participant shall transfer the balance of its respective Securities Account through the concerned SPP to the Securities Account of the Participant receiving merger in accordance with the schedule of operational merger implementation in BI-SSSS approved by Operator.
- 9) The membership status of the merging Participant in BI-SSSS changed into closed effectively on the date of operational merger implementation in BI-SSSS, after the Securities Account of the said Participant has zero balance.

10) Operator...

- 10) Operator inform the announcement on the closing of membership in BI-SSSS of the merging Participant to the party as referred to point 3.a.6).

b. Changes in Participation Status Due to Consolidation

Procedure for changes in participation status due to consolidation shall be regulated as follows:

- 1) Participant candidates resulted from consolidation shall submit an application to be Participants of BI-SSSS by complying to the general provision of participation as referred to letter A, requirements to be Participants as referred to letter B, and procedure to be Participants as referred to in letter C.
- 2) Participant candidates resulted from consolidation result submit a notification letter on consolidation that contains at least:
 - a) approval of consolidation from the competent authority;
 - b) information on the consolidated Participant and the consolidating Participants;
 - c) implementation time to make the balance in Securities Account of the consolidating Participants zero, namely 1 (one) working day prior to the implementation of the consolidation operationally in BI-SSSS;
 - d) takeover of the rights and obligations of the consolidating Participants by the

consolidated...

consolidated Participant effective as of the date of legal consolidation; and

- e) information on the consolidation announcement published in the nationwide daily newspaper,

using the format as referred to Example 19 of Attachment II.

- 3) The notification letter as referred to number2) shall be completed with the following documents:

- a) statement letter that at least contains:

- (1) takeover of the rights and obligations of the consolidating Participants effective as of the date of legal consolidation;

- (2) enactment of the signature specimen for the consolidated Participant and averment of the status of the consolidated Participant signature specimen.

- (3) takeover authority and operational responsibilities of the consolidated Participant effective as of the date of legal consolidated up to the date of operational consolidation implementation in BI-SSSS, using the format as referred to in Example 20 of Attachment II.

- b) photocopy of documents that have been legalized by the authorized official or certified as original by the management

of the Participant candidate in the form of:

- (1) deed of consolidation;
 - (2) deed of establishment of the consolidated Participant;
 - (3) permit of consolidation from the competent authority granting approval on the consolidation;
 - (4) ratification letter of liability company from the Ministry of Law and Human Rights upon the deed of establishment of the consolidated Participant.
- 4) Each consolidating Participant shall submit a letter of application for closing the participation that at least contains:
- a) approval for consolidating from the competent authority;
 - b) implementation time for operational consolidation in BI-SSSS;
 - c) implementation time for transferring the Securities Accounts' balances of the consolidating Participants to the Securities Account of the consolidated Participant and the closing of the consolidated Participant's participation in BI-SSSS;
 - d) application for the closing of BI-SSSS participation;
 - e) transfer of the rights and obligations related to the participation in BI-SSSS

from...

from the consolidating Participants to the consolidated Participant; and

- f) revocation of signature specimen of the management and officials from the consolidating Participants, effective as of the date of the legal consolidation.

Example format of the application letter for the closing of participation to Operator as referred to Example 18 of Attachment II.

- 5) The letter as referred to number4), shall be completed with the following documents:

- a) photocopy of the decree from the competent authority approving the consolidation; and

- b) photocopy of the latest Articles of Association of the consolidating Participants,

that has been legalized by the authorized official or certified as authentic by the management of the Participant candidates.

- 6) The letter as referred to number2), point3)a), and number4) shall be signed by the management of the Participant candidates and submitted to Operator with the following conditions:

- a) the letter shall be sent to the address as referred to pointII.A.2.a.; and

- b) for Participants domiciled in the working area of KPwDN, the application letter shall be submitted with a copy to the local KPwDN.

7) Operator...

- 7) Operator shall inform through a letter to the consolidated Participant concerning the approved implementation time of the operational consolidation in BI-SSSS along with things to do by the concerned Participant, after the documents as referred to number2), number3), number4), and number5) received completely.
- 8) Operator inform all Participants through administrative messages or other means regarding the approved execution of operational consolidation in BI-SSSS from the consolidating Participants.
- 9) Each consolidating Participant shall transfer the balance of its Securities Account as follows:
 - a) the transfer of balance of the Security Account shall be conducted by the respective Participant through SPP of the concerned to the Securities Account of the consolidated Participant; and
 - b) the transfer of the balance of the Securities Account shall be conducted in accordance to the implementation schedule of the operational consolidation in BI-SSSS approved by Operator.
- 10) Participation status in BI-SSSS of the consolidating Participants shall change effectively into closed, on the implementation date of the operational consolidation in BI-SSSS, after the

Participants' Securities Accounts as referred to number9) has a zerobalance.

- 11) Operator inform the closing of BI-SSSS participation of the consolidating Participants to all Participants through administrative message or other means.

c. Changes in Participation Status Due to Spin-off

Procedure for the changes in participation due to spin-offshall be regulatedas follows:

- 1) The change in participation due to separation shall be conducted in the event a Participant in the form of UUS separating itself from its Participant parent of a conventional bank conducted in theway of transferring the rights and obligations of the UUS to the existing BUS.
- 2) Procedure for the change in participation due to spin-offin theway of establishing a new BUS, following the procedure of changes in the participation status due to consolidation as referred to letter b.
- 3) Procedure for the change in participation due to spin-offn by way of transferring the rights and obligations of UUS to the existing BUS shall be conducted by merger procedure as referred to letter a.

- d. In the event the Participant is a participant of BI-RTGS System and the supporting documents already submitted to Operator of BI-RTGS System is the same as the supporting documents in BI-SSSS, the supporting documents for changes in the participation status due to

merger...

merger, consolidation, or spin-off as referred to letter a, letter b, and letter c, is allowed not to be submitted to Operator.

F. Obligation of Participant

1. General Obligation of Participants

a. Maintaining the smoothness and security of BI-SSSS usage, among others as follows:

1) Developing Written Policies and Procedures (*Kebijakan dan Prosedur Tertulis-KPT*) that support a good internal control system in the operational implementation of BI-SSSS, including the security procedure of BI-SSSS usage in the internal environment of Participants, with the arrangement regulation as follows:

a) KPT constitutes a written regulation established by the authorized official in accordance with the applicable regulation in the internal Participant and applied as the operational guideline of BI-SSSS in the Participants.

b) KPT must be made within a period no longer than 6 (six) months since the effective date of participation in BI-SSSS.

c) KPT must be made in Indonesian Language. In the event the KPT made in a foreign language, KPT must be translated to Indonesian by a sworn translator.

d) KPT...

- d) KPT must be made by referring to the provisions related to BI-SSSS set by Operator and the regulation set by the payment system association related to the operations of BI-SSSS.
- e) KPT must contain materials at least as follows:
 - (1) introduction;
 - (2) operating organization of BI-SSSS;
 - (3) provisions and operating procedure of BI-SSSS.
 - (4) operating supervision of BI-SSSS; and
 - (5) handling of Unforeseeable Condition and/or Emergency Condition.

Details of minimum coverage of KPT materials shall be governed in the “Guidelines for Developing Written Policies and Procedures” as referred to in Attachment III.A.

- f) In the event of changes in the materials of KPT as referred to letter e) and/or changes in the provisions issued by Operator and/or the association of payment system that impact to the KPT materials, Participants shall perform updating to the referred KPT.
- g) Updating to KPT as referred to letter f) must be conducted within a period no longer than 6 (six) months since the

occurrence...

occurrence of changes in materials and in the said provisions.

- 2) Performing internal audit to guarantee the operational security of BI-SSSS

The provision on internal audit to guarantee the operational security of BI-SSSS is as follows:

- a) Internal audit constitutes of audit activities toward BI-SSSS to guarantee the operational security of BI-SSSS.
 - b) Scope of the internal audit at least covers the materials on compliance assessment conveyed by Operator.
- 3) Conducting security audit with the following conditions:
 - a) Security audit is intended to ensure that the security and reliability of information technology of internal Participants, interface between SPP and the internal system of the Participants, and the environmental condition of the location where the Participants conducting operational activities.
 - b) Security audit conducted no less than every 3 (three) years effective since becoming Participants or every occurrence of changes in the internal information technology system of Participants related to BI-SSSS.
 - c) Implementation of security audit can be performed by internal auditors of the Participants or by external auditors.

d) Coverage...

- d) Coverage of the security audit at least includes the scope as referred to in Attachment III.B.
- 4) Developing policy on information technology related to BI-SSSS System to be reviewed and updated regularly.
- 5) Having Guidelines on Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP)
The provision related to the handbook on DRP and BCP is as follows:
 - a) Guidelines on DRP and BCP contain procedures conducted by the Participants in the case of Unforeseeable Condition and/or Emergency Condition to ensure that BI-SSSS operations in the Participant can be done or other efforts needed to be done in case the back-up system cannot be used.
 - b) DRP Guidelines as referred to letter a) at least shall contain the following matters:
 - (1) work units as the responsible parties;
 - (2) coordination mechanism if the party in charge consisted of several units;
 - (3) procedure related to the preparation for the back-up infrastructure to guarantee that BI-SSSS operational activities keep running;

(4) reporting...

- (4) reporting and monitoring mechanism; and
 - (5) operational officers (including data of telephone numbers that can be contacted any time).
- c) BCP Guidelines as referred to letter a) at least contain matters as follows:
 - (1) work units as the responsible parties;
 - (2) coordination mechanism if the party in charge consisted of several units;
 - (3) business measures conducted to guarantee that BI-SSSS operational activities keep running;
 - (4) mechanism of BCP Testing procedure;
 - (5) reporting and monitoring mechanism ; and
 - (6) operating officers (including data of telephone numbers that can be contacted any time).
- 6) Conducting the management of fund settlement limit and arranging its implementation in the internal procedure of Participants, for the Participants appointed as the Cash Settlement Agents;
- 7) Using SPP application in accordance with the handbook on the operating guidance of BI-SSSS.
- 8) Conducting data or information update on participation.

9) Performing...

- 9) Performing data maintenance with the following conditions:
 - a) data maintenance performed to the data stored in electronic media and/or in the form of processing result of BI-SSSS computer;
 - b) data as referred to letter a) shall obtain adequate security and its confidentiality shall be kept, among others, protected from the access of unauthorized officers;
 - c) data as referred to letter a) among others covering data of transactions, applications provided by Operator, and/or conditions and procedures provided by Operator;
 - d) performing data backup as referred to letter a) into electronic media;
 - e) ensuring that data as referred to letter a) and its backup as referred to letter d) are not damaged; and
 - f) storing all data as referred to letter a) and its backup as referred to letter d), in accordance with the applicable regulation of archiving in internal Participants, and the retention period in accordance with the legislation that governs documents of companies.
- 10) Ensuring Main SPP and Backup SPP to function well to perform various activities of BI-SSSS during operational hours of BI-SSSS.

In order to guarantee that the Main SPP and the Backup SPP functioning well, the regulation is as follows:

- a) Ensuring that any officer handling BI-SSSS understands the system and operational procedure of BI-SSSS already set by Operator and the internal Participant, among others through periodical training.
- b) Arrange and determine user and the authority of user conducting BI-SSSS operation by taking into account the following matters:
 - (1) setting the authority of users by taking into account the span of control to minimize human error and fraud;
 - (2) sending of transactions shall be conducted in tiered in accordance with the level of authority of the officers;
 - (3) arrangement of backup officers for users in accordance with the respective role;
 - (4) determining and administering user, holders of digital certificate hard token as well as digital certificate soft token, including serial number of the token;
 - (5) ensuring the security of the digital certificate hard token usage by user that is already determined; and

(6) storing...

- (6) storing security documents related to the connected user, digital certificate hard token, and digital certificate soft token.
- c) Participants shall provide and manage backup system for BI-SSSS in Participants with the following arrangements:
 - (1) Participants shall provide backup server and data communication network from the Participants' backup site to Bank Indonesia according to the standard set by Operator.
 - (2) The cost of provision and usage of infrastructure as referred to number(1) shall be borne by the Participants.
 - (3) The selection of type and location of backup SPP and backup data communication network of Participants shall be handed over to each Participant.
 - (4) The selection of type and location of backup SPP, and backup data communication network of Participants as referred to number (3) shall be conducted based on consideration among others:
 - (a) volume of transactions of Participants and the level of

urgency...

- urgency of BI-SSSS for Participants; and
 - (b) internal control to mitigate operational risk in Participants.
- d) To guarantee that the backup system functions well, among others by:
- (1) conducting test of backup system connection periodically, with the following conditions:
 - (a) test of backup system connection covers test toward backup SPP, backup data communication network, and/or data;
 - (b) test of backup system connection as referred to in letter (a) can be conducted using:
 - i. environment testing of Operator during BI-SSSS operational hours; or
 - ii. environment production of Operator with schedule set by Operator namely every month on Friday the first week or the third week after the end of day process of BI-SSSS in Operator ended and its implementation conducted no longer than 1 (one) hour.

(c) Procedure...

- (c) Procedure for conducting test of backup system connection shall be arranged as follows:
 - i. Participants shall submit request for backup system connection test through administrative messages to Operator no later than 1 (one) working day prior to implementing backup system connection test
 - ii. Operator inform the approval on backup system connection test to Participants through administrative messages; and
 - iii. Participants shall submit written reports on the implementation of backup system connection testing to Operator no later than 1 (one) working day after the implementation is completed.
- (2) To operate the backup system for operating activities in normal condition with the following set up:
 - (a) utilization of the backup system in normal condition shall be done periodically, at least 1 (one) time in a year.

(b) operating...

- (b) operating the backup system in normal condition can cover operating the backup SPP and/or backup data communication network.
- (c) procedure for using the backup system for operational activities in normal condition shall be arranged as follows:
 - i. Participants shall submit applications through administrative messages to Operator no later than 1 (one) working day prior to using the backup system for operational activities in normal condition.
 - ii. Operator notify the approval for the backup SPP and/or the backup data communication network through administrative messages; and
 - iii. Participants shall submit written reports on the results of the backup system usage for operational activities in normal condition to Operator no later than 1 (one) working day after the implementation completed.

e) To guarantee the security and reliability of the data communication network used to connect the main SPP and/or backup SPP with:

(a) computer hardware of Participants used for operational BI-SSSS; and

(2) internal computerization system of Participant candidates, if the Participant candidates connect the main SPP and/or backup SPP with the internal computerization system of the Participation candidates,

so that it is free from all possibilities of vandal source BI-SSSS, including but not limited to the possibility of fraud, electronic data hacking, and system destroying by way of flooding the system with data and payment messages.

f) To report the development of internal application of Participants related to BI-SSSS to Operator.

g) To conduct preventive measures required so that the hardware functions well and the software used in BI-SSSS and/or its link with BI-SSSS are free from any type of virus.

h) To guarantee the integrity of BI-SSSS database in the main SPP and backup SPP including the backup data stored in the form of compact discs (CD), tapes, cartridges, flash discs, and other media.

i) To...

- i) To conduct installation every time there are changes in the main SPP and/or backup SPP applications according to the operation manual of BI-SSSS.
 - j) To store well the SPP application including every time there are changes in the SPP application provided by Operator, in a safe place and free from various sources that may destroy the SPP application.
 - k) To extend the active period of the Digital Certificate according to the time predetermined by Operator.
- b. To be responsible for the correctness of instructions, and all information sent by Participants to Operator through BI-SSSS.
- c. To conduct operational activities of BI-ETP System, BI-SSSS, and BI-RTGS System in accordance with the system usage between Operator and Participants, and the provisions that governs the operations of BI-ETP System, BI-SSSS, and BI-RTGS System, and other related provisions;
- d. To provide data, documents, and/or information requested by Operator including but not limited to the original documents and/or photocopies of documents in the form of scrippless, and/or electronic data related to the implementation of BI-SSSS.
- e. To comply with regulations issued by the association related to the operation of securities administration through BI-SSSS.

2. Obligations of Sub-Registry
 - a. To forward the results of Settlement upon Securities transactions to customers on the same date as the Settlement date.
 - b. To forward the payments of coupon/interest or reward and settlement of principal/nominal payment of Securities to customers, holder of the Securities on the same date as the date the Sub-Registry receives the payments of coupon/interest or reward and settlement of principal/nominal payment of Securities from the issuers of the Securities.
 - c. To guarantee the validity of the administration and reports of Securities holdings on behalf of the entire customers.
 - d. To settle discrepancy issues of Securities holdings registration between the Sub-Registry and customers, in case of discrepancies in the recording of Securities holdings between the Sub-Registry and customers.
 - e. To meet the monthly average recording of the minimum number of Securities holdings to no less than Rp500,000,000,000.00 (five hundred billion rupiah) within the last 12 (twelve) months, for Sub-Registry that has performed recording activities of Securities holdings in BI-SSSS more than 12 (twelve) months.
 - f. To maintain the position of Minimum Capital Requirement (CAR) for Custodial Banks or paid-up capital for non-Bank custodial agencies to no less than the CAR position or paid-up capital in accordance to the applicable regulation.

g. To...

- g. To manage and report the complete and valid data of customers through BI-SSSS, based on the information and procedure as referred to in Attachment IV.
- h. To safeguard the security of SI BI-SSSS and data confidentiality including local user administrator conveyed by Operator.
- i. To provide KPT that at least covers the administration of Securities and usage of SI BI-SSSS in the internal Sub-Registry among others regarding the provision of access and the security of BI-SSSS application usage.
- j. To submit reports to Operator correctly and timely through SI BI-SSSS and/or other means.
- k. To conduct daily reconciliation between data of Settlement in SI BI-SSSS and data of Settlement transactions in Sub-Registry.
- l. To conduct reporting data corrections through SI BI-SSSS, in case of errors and to inform the Operator through a letter.
- m. To inform any fees to be charged by Participants to customers related to Settlement through BI-SSSS transparently and at a place easily visible by customers.

IV. OPERATIONAL EXECUTION OF BI-SSSS

A. Operational Time of BI-SSSS Operation

The operational time of BI-SSSS operations shall be set as follows:

- 1. Operator determines the operational implementation of BI-SSSS that covers the operational days, operational hours, and periods of activity.

2. Operational...

2. Operational days of BI-SSSS are executed every working day set by Operator.
3. Participants must conduct operational activities of BI-SSSS in accordance with the working days set by Operator as referred to in item 2.
4. In certain condition, UnforseeableUnforseeable Condition, and/or EmergencyCondition, Participants are allowed not to conduct activities of BI-SSSS operations as referred to in item 2 based on Operator approval.
5. Application procedures for Participants not to conduct operational activities of BI-SSSS in certain condition as referred to in item 2 shall be governed as follows:
 - a. Participants shall submit an application through the means of:
 - 1) administrative messages; or
 - 2) letters that can be preceded by facsimiles signed by the authorized officials from Participants who have signature specimen in Bank Indonesia, and to be submitted to the address as referred to in item II.A.2.a.
 - b. The application as referred to in letter a shall be submitted among others due to the following:
 - 1) Bank Indonesia Office in certain area and/or certain region where optional holiday is determined;
 - 2) Head Office of Participants located in the office area of Bank Indonesia as referred to in item 1); and/or
 - 3) Certain condition approved by Operator.

c. Operator...

- c. Operator shall notify approval or rejection upon the application of Participants as referred to in letter a, through a letter that can be preceded by administrative messages or other means.
 - d. In the event the application is approved, Operator shall announce to all Participants through letters that can be preceded by administrative messages, to inform Participants that do not perform operational activities of BI-SSSS.
- 6. Instructions for Settlement with value date falls on the days Operator or Participants do not conduct operational activities can neither be executed nor rolled-over to the next working day.
 - 7. Operational hours of Securities Administration execution through BI-SSSS is 06:30 am up to 6:30 pm.
 - 8. Periods of activity are the periods determined by Operator to conduct Settlement activities or Securities transactions performed through BI-SSSS. Period of cut-off warning and period of pre cut-off activities in BI-SSSS shall follow the cut-off warning and pre cut-off in BI-RTGS System.
 - 9. Operational hours as referred to in item 7 and periods of activity as referred to in item 8 shall be regulated in accordance with the operational time of BI-SSSS as referred to in Attachment V.
 - 10. Operational Days as referred to in item 2, operational hours as referred to item 7, and periods of activity as referred to in item 8 can be changed at any time by Operator.
 - 11. In case of changes in operational days, operational hours, and/or periods of activity, Operator shall

notify...

notify the situation all Participants through administrative messages and/or other means.

12. Changes in operational hours and periods of activity can be performed by Operator based on the following:
 - a. Changes in operational hours and periods of activities based on Operator policy
 - 1) Changes in operational hours and periods of activity can be conducted based on considerations among others as follows:
 - a) Unforeseeable Condition in BI-SSSS and/or Emergency Condition resulted to the need of change in the operational hour and/or extension of periods of activity to execute Settlement through BI-SSSS.
 - b) the change in the operational hours in BI-RTGS System and/or BI-ETP System;
 - c) the interests of Bank Indonesia to carry out monetary policy, maintain the smoothness of payment system, and/or the interests of settling government transactions; and/or
 - d) Requests for extending the activity periods from Participants that affect the change in the activity periods and operational hours.
 - b. Changes in the periods of activity based on the request of Participants
 - 1) Participants can submit applications for extending the activity periods in case the Participants experience an Unforeseeable Condition and/or Emergency Condition

resulting...

resulting in the need for extending the activity periods to perform Settlement through BI-SSSS.

- 2) In the event the application for extending the activity periods is approved by Operator the following conditions shall be applied:
 - a) extension of activity periods shall be conducted according to the requests of Participants for the activity periods that are still open at the time the application for extension received by Operator; and
 - b) extension of activity periods as referred to in letter a) shall be conducted proportionally, in the event the application for extension of activity periods exceeds 5:00 pm.
- 3) Extension of activity periods that can be granted namely is for 30 (thirty) minutes or no longer than 60 (sixty) minutes, except for certain condition.
- 4) Extension of activity periods as referred to in item 2) shall lead to the change in the next activity periods and/or the operational hours.
- 5) Application for the extension of activity periods that has been approved by Operator through the means of administrative messages to the concerned Participant shall be binding and may not be cancelled by the Participant.

6) Submission...

- 6) Submission of the extension of activity periods shall be done by Participants to Operator by the following procedure:
 - a) Participants submit applications for the extension of activity periods along with its reasons to Operator through administrative messages and/or letters that can be preceded by confirmations through telephone.
 - b) Letters as referred to in letter a) shall be signed by the authorized officials of Participants who have signature specimen in Operator and can be submitted earlier to Operator through facsimiles.
 - c) Application for the extension of activity periods must be submitted no later than 30 (thirty) minutes before the expiry of activity periods which extension is requested.
 - d) Operator shall notify any approval or rejection of application for the extension of activity periods to Participants through administrative messages and/or other means.
 - e) In the event there is a Participant which has already requested for an extension of the activity period for 60 (sixty) minutes which already been approved by Operator, any other Participant cannot request for the extension of the activity period.

f) In...

- f) In the event the application for the extension of activity period is approved, Operator shall convey information regarding the extension of the activity period to all Participants through administrative messages and/or other means.
- 7) Extension of BI-SSSS operational hours upon the request of Participants shall be charged.

B. Management of Users

- 1. Users of BI-SSSS consist of:
 - a. Connected users, i.e. users administered and provided by Operator to Participants to access to SCN through SPP and own Digital Certificate for the mechanism of securing the delivery and receipt of messages from and to SCN; and
 - b. Unconnected users are users registered by Participants on SPP and can make instructions and also conduct activities locally, but are not able to send instructions to SCN.
- 2. Connected Users as referred to in item 1.a consist of:
 - a. Administrator users are connected users who have functions to register unconnected user and conduct management of users through SPP; and
 - b. Regular users are connected users who have functions to make and send instructions of Settlement from SPP to SCN, but cannot register unconnected users and cannot conduct user management through SPP.
- 3. Operator shall conduct the management of connected users covering activities, among others, registration,

adjustment...

- adjustment, resetting password, termination, reactivation, and determination of security level.
4. Management of users by Participants shall be conducted by administrator users as follows:
 - a. Management of connected users, among others covers:
 - 1) determination of the access rights for connected users to the menu in SPP; and
 - 2) determination of roles and limits for connected users.
 - b. Management of unconnected users, among others covers:
 - 1) registration and adjustment of unconnected users;
 - 2) determination of security level for unconnected users;
 - 3) determination of access rights for unconnected users to the menu in SPP; and
 - 4) determination of roles and limits for unconnected users.
 5. Operator provides a maximum of 10 (ten) connected users for every Participant completed by digital certificate hard token, consisted of:
 - a. two administrator users; and
 - b. a maximum of 8 (eight) regular users.
 6. Management and usage of connected users that have been handed over by Operator to Participants shall be performed based on internal regulation of Participants and become the responsibility of the concerned Participant entirely.

C. Connected Users and Digital Certificates Usage

Rules and procedures for the use of connected users and Digital Certificates in BI-SSSS shall be governed as follows:

1. Rules on the use of Connected User and Digital Certificate
 - a. Based on its usage, connected users consist of connected user for BI-SSSS Depository Gateway (SDG) and connected user for BI-SSSS Straight through Processing Gateway (SSTPG).
 - b. Based on the storing media, Digital Certificates are differentiated into 2 (two) types, i.e.:
 - 1) digital certificate hard token which is a Digital Certificate stored inside the USB flash drive media; and
 - 2) digital certificate soft token which is a Digital Certificate stored in compact disc (CD) media or other media that will be installed in a SPP server.
 - c. Operator provides connected users to Participants, completed with:
 - 1) password and digital certificate hard token for every Participant uses SDG application; and
 - 2) password and digital certificate soft token for every Participant uses SSTPG application in accordance with the number of the Participant's server.
 - d. Connected users as referred to in letter c shall be provided to the authorized officials of Participants who have signature specimen in Operator.
 - e. The use of connected users given by Operator to the Participants is done based on the internal

regulation...

regulation of Participants and become the full responsibility of the concerned Participant.

- f. The active period of the digital certificate hard token and digital certificate soft token is determined no longer than 2 (two) years since the effective date.
 - g. The addition of connected user completed with password and digital certificate hard token that exceeds the number as referred to in item B.5 can be given to Participants based on the approval of Operator.
 - h. Participants can request for a replacement of digital certificate hard token and digital certificate soft token that is missing/damaged or cannot be used due to any causes.
 - i. Additional connected user completed with password and digital certificate hard token as referred to in letter g and/or the replacement of digital certificate hard token that is missing/damaged due to any cause as referred to in letter h will be charged.
2. Procedure for adding Connected User Completed with Password and Digital Certificate and replacing and/or extending active period of Digital Certificate
- Implementation procedure for adding Connected User Completed with Password and Digital Certificate and also replacing and/or extending active period of Digital Certificate shall be governed as follows:
- a. Participants submitted an application letter for adding connected users completed with password and Digital Certificates and also replacing and/or extending active period of Digital Certificate to

Operator...

Operator containing information at least as follows:

- 1) for additional connected users completed with password and digital certificate hard token:
 - a) name and participant code of the Participant;
 - b) number of the additional connected user; and
 - c) reasons for requesting additional connected user, in case the request exceeds the set number as referred to in item B.5.
- 2) for replacing digital certificate hard token:
 - a) name and participant code of the Participant;
 - b) name of the connected user which digital certificate hard token is to be replaced;
 - c) serial number of the digital certificate hard token; and
 - d) reasons for requesting a replacement for digital certificate hard token.
- 3) for extending the active period of digital certificate hard token:
 - a) name and participant code of Participants;
 - b) name of the connected user where the active period of its digital certificate hard token will be extended;
 - c) serial number of the digital certificate hard token.

4) for...

4) for extending the active period of digital certificate soft token:

- a) name and participant code of the Participant;
- b) name of the connected user from the server which active period of its digital certificate soft token will be extended.

The application letter for additional connected users completed with password and Digital Certificate, replacement and/or extension of the active period of the Digital Certificate shall use the format as referred to in Example 4 of Attachment II.

b. The application letter as referred to in letter a, shall be signed by the authorized officials of Participants who have signature specimen in Operator and submitted to the Operator with the following conditions:

- 1) Application letter is submitted to Operator with address as referred to in item IIA.2.a.
- 2) For Participants domiciled in the working area of KPwDN, the application letter shall be submitted with a copy to the local KPwDN.
- 3) For Participants submitting application for extending the active period due to the expiration of the active period of the Digital Certificate, the application letter shall be submitted to the Operator:
 - a) at the earliest 20 (twenty) working days; and
 - b) at the latest 10 (ten) working days,

prior to the active period of the Digital Certificate expiring.

- c. The application letter as referred to in letter a shall be accompanied by:
 - 1) CSR file in CD media from the server where the active period of its CSR digital will be extended, in case the Participant requesting for an extension of the active period of its CSR digital;
 - 2) digital certificate hard token, in case the Participant request for extending its active period or replacing its digital certificate hard token; or
 - 3) a statement letter from the State Police for the loss of the digital certificate hard token, in case the Participant request for a replacement of the missing digital certificate hard token.
- d. Operator shall notify Participants through administrative messages for certificate signing no longer than 14 (fourteen) working days since the documents as referred to in item a.4) received completely by the Operator.
- e. Participants shall pickup connected user, password, and/or Digital Certificate by the following procedure:
 - 1) For Participants with head offices in KPBI working area, the pickup of the connected user, password, and/or Digital Certificate documents shall be conducted in the office location of the Operator.

2) For...

- 2) For Participants with head offices in KPwDN working area, the pickup of the connected user, password, and/or Digital Certificate documents shall be conducted in the office location of KPwDN.
 - 3) Documents of connected user, password, and/or Digital Certificate shall be picked-up by the authorized officials of Participants who has signature specimen in Bank Indonesia.
- f. In the event there is an extension of the active period of digital certificate soft token, Participants must inform the effective date of the new digital certificate soft token usage to the Operator through administrative messages or letters that can be preceded by delivery through facsimiles. In case the Participants do not inform the effective date, all risks and consequences arising will fully be the responsibility of the concerned Participant.
- g. In the event Participants submit an application for additional connected users completed with password and digital certificate hard token that exceeds the set number as referred to in item B.5, approval or rejection for the referred application shall be conveyed in writing by the Operator to the concerned Participant no longer than 14 (fourteen) working days since the application letter received completely by the Operator.
- h. Operator shall charge the cost to the Rupiah Fund Settlement Account or the Cash Settlement

Agent for the addition of the connected user completed with password and digital certificate hard token that exceeds the set number as referred to in item B.5 and/or the replacement of the digital certificate hard token.

3. Deletion of SDG and/or SSTPG Connected User
 - a. Deletion of SDG and/or SSTPG Connected User can be done based on initiatives of the Operator or request of Participants.
 - b. Deletion of SDG and/or SSTPG Connected User by Operator shall be done among others in the event the participation of the Participants in BI-SSSS operations has been terminated.
 - c. Procedure for deletion of SDG and/or SSTPG Connected User based on the request of Participants as referred to in letter a shall be governed as follows:
 - 1) Participants submit a letter of application for deletion of SDG and/or SSTPG Connected User to the Operator that can be submitted in advance through facsimile.
 - 2) The letter of application for deletion of SDG and/or SSTPG Connected User as referred to in item 1) shall use the format as referred to in Example 4 of Attachment II.
 - 3) The letter of application for deletion of SDG along with the digital certificate hard token of the connected user requested to be deleted.
 - 4) Operator shall send a notification letter to Participants concerning the deletion of SDG and/or SSTPG Connected User.

4. Mechanism of Resetting Password of Connected User for SDG, Unlocking Connected User for SDG, and/or Resetting Password of Digital Certificate Hard Token
Participants can submit a request for resetting password of connected user for SDG, Unlocking Connected User for SDG, and/or Resetting Password of Digital Certificate Hard Token by the following procedure:
 - a. Request for Resetting Password of connected user for SDG
 - 1) Participants file a request for resetting the password of connected user for SDG to the Operator through a letter signed by the authorized official from the Participant who has signature specimen in Operator that at least contains the following information:
 - a) name and participant code of the Participant;
 - b) name of the connected user which password is requested to be reset; and
 - c) name and phone number of the authorized party in the concerned Participant that can be reached.
 - 2) The application letter as referred to in item 1) shall be submitted to the Operator in the address as referred to in item II.A.2.a.
 - 3) The application letter as referred to in item 1) can be submitted to the Operator through facsimile to the number as referred to in item II.A.3.
 - 4) Based on the application letter as referred to in item 1), Operator shall convey the

connected...

connected user password to Participants through a letter or other means set by the Operator.

- 5) The letter as referred to in item 4) shall be picked up by the authorized official of the Participant who has signature specimen in the Operator.

b. Request for Unlocking Connected User for SDG

- 1) Participants shall submit an application to unlock connected user for SDG to the Operator through an administrative message or a letter signed by the authorized official of the Participant who has signature specimen in the Operator that at least contains information on:
 - a) name and participant code of the Participant;
 - b) name of the connected user which requested to be unlocked; and
 - c) name and phone number of the authorized party in the concerned Participant that can be reached.

The request for unlocking connected user shall be submitted to the Operator with address as referred to in item II.A.2.a and can be submitted in advance to the Operator through facsimile to the number as referred to in item II.A.3.

- 2) Based on the request as referred to in item 1), Operator shall notify the completion of the unlocking connected user process for SDG to the concerned Participant through

administrative...

administrative messages or other means set by the Operator.

c. Request for Resetting Password of Digital Certificate Hard Token

1) Participants shall submit request for resetting password of the Digital Certificate Hard Token to the Operator through a letter signed by the authorized official of the Participant who has signature specimen in the Operator that at minimum contains the following information:

- a) name and participant code of Participants;
- b) name of the connected user whose digital certificate hard token is requested to be reset;
- c) serial number of the digital certificate hard token; and
- d) name and phone number of the authorized official in the concerned Participant that can be reached.

The application letter to reset the password shall be submitted to the Operator with the address as referred to in item II.A.2.a and can be submitted in advance to the Operator through facsimile to the number as referred to in item II.A.3.

2) Based on the request as referred to in item 1), Operator shall notify the authorized party in the Participant via telephone to reset the password of digital certificate hard token in

SPP by following the process of finalization phases as conveyed by the Operator.

D. Administration of Securities Accounts in BI-SSSS

1. Administration Principles

- a. Operator shall use BI-SSSS to perform Administration activities covering the Administration of Securities and the Administration of Transactions results.
- b. Securities administered in BI-SSSS are Securities in Rupiah currency and/or foreign currencies.
- c. Operator shall perform Administration in the primary market and the secondary market.
- d. Central Registry shall administer Securities Accounts in BI-SSSS for the interests of the Participants and parties agreed by the Operator to own Securities Accounts.
- e. Sub-Registry shall administer Securities Accounts for the interests of customers.
- f. Participants and customers in the Sub-Registry shall be differentiated upon their status of resident or non-resident with the following conditions:
 - 1) residents are person, legal entities, or other entities domicile or plans to domicile in Indonesia at least 1 (one) year including representative and diplomatic staff of the Republic Indonesia abroad; and
 - 2) non-residents are person, legal entities, or other entities not domicile or does not plan to domicile in Indonesia.

2. Type of Accounts

- a. Operator...

- a. Operator shall determine whether the accounts owned by Participants are conformed to the activities and function in the participation.
 - b. Type of account in BI-SSSS consists of:
 - 1) accounts to record Securities holding and financial instruments consisting of Depository Account (Depo Account), Intraday Liquidity Facility Account (ILF Account), Issuing Account (ISSU Account), Failure to Settle Account (FtS Account), Cash Virtual Instrument Account (CASHVI Account), Repo Collateral Account (REPO Account), and Collateral Execution Account (EXEC Account), as referred to in Attachment VI; and
 - 2) off balance accounts consist of Cash Limit Account (CSLM account), Cash Account (CASH account), Trading Account (TRAD account), Cash Settlement Technical Account (CSLT account), and Minimum Reserved Requirement (MRRE account) as referred to in Attachment VI.
 - c. Accounts as referred to in item b.1) consist of sub-accounts, i.e. Issuing Account (ISSU), Withdrawal (DRAW), Available for Sale (AVAI), Not Available for Sale (NAVL), Available Waiting for Reselling (AWAS), Restricted for Usage (RSTR), Pledged (PLED), Blocked for Trading (BLOT), Pending Delivery Following Corporate Action (PEDA), Pending Delivery (PEND), and Blocked (BLOCK) as referred to in Attachment VI.
3. Settlement
- a. Conduct...

a. Conduct of Settlement

Conduct of Settlement through BI-SSSS shall be conducted with the following rules:

- 1) Settlement consists of Securities Settlement and/or Fund Settlement .
- 2) Settlement can only be done if and only if:
 - a) Securities in the Securities Account are sufficient for the conduct of Securities Settlement; and/or
 - b) the balance of the Fund Settlement Account of the Participant or the Cash Settlement Agent is sufficient for the conduct of Fund Settlement.
- 3) In the event of the balance of the Securities Account and/or Fund Settlement Account of Participant is insufficient for the Settlement, the instruction for the Settlement will be queued.
- 4) Settlement of Securities transactions in BI-SSSS are final so that all settled transactions made in BI-SSSS may not be cancelled (unwinding).
- 5) Settlement of transactions can be conducted by way of:
 - a) Delivery versus Payment (DvP), i.e. a mechanism of transaction Settlement where Securities Settlement and Fund Settlement conducted simultaneously.
 - b) Free of Payment (FoP), i.e. a mechanism of transaction Settlement where Securities Settlement are not followed by Fund Settlement; and

c) Delivery...

- c) Delivery versus Delivery (DvD), i.e. a mechanism of transaction Settlement involving two obligations of Securities Settlement.
- 6) Settlement of transactions as referred to in item 5) shall be conducted transaction by transaction (gross to gross) in accordance with the sequence of transactions received in BI-SSSS.
- 7) Participant and/or Cash Settlement Agent shall have active status as the Participant of Sistem BI-RTGS to conduct Settlement with DvP mechanism.
- 8) In the event of Settlement upon transactions conducted through FoP, Participant shall inform the objectives of FoP transaction in the instruction of Settlement in BI-SSSS.
- 9) In the event of Participant conducts FoP transactions followed by Fund Settlement not conducted in Sistem BI-RTGS, the Participant shall fill out information of the value of the Fund Settlement or the price on the Settlement instruction of BI-SSSS.
- 10) Conduct of Settlement in BI-SSSS covers Settlement upon transactions as follows:
 - a) Issuance in primary market.
 - b) Securities transactions in secondary market that include:
 - (1) Outright, i.e. transactions of buying and selling of Securities by outright method without obligation to resale and repurchase.

(2) Repurchase...

- (2) Repurchase Agreement (Repo), i.e. lending and borrowing fund with Securities as collateral according to the price and period of Repo agreed upon.
 - (3) Transfer, i.e. Settlement of transactions resulting in the transfer of Securities to the other Participant without Fund Settlement.
 - (4) Pledge, i.e. transfer of assets in the form of Securities used to guarantee the fulfillment of one party's obligation without the transfer of right or ownership of the Securities.
 - (5) Securities lending and borrowing, i.e. lending and borrowing of Securities with Securities or Fund as collateral.
- 11) Settlement of Repo transactions as referred to in item 10).b).(2) consists of:
- a) Repo Sell and Buyback (Repo SBB)
 - (1) Repo SBB, i.e. Repo Settlement with record of Securities ownership movement from Securities Account of fund borrowing Participant to Securities Account of fund lending Participant.
 - (2) Repo SBB consists of:
 - (a) Repo SBB type 1, i.e. Settlement of Repo SBB with

re-routing coupon/interest or reward payments at the value date of the second leg Settlement to the Participant borrowing fund.

(b) Repo SBB type 2, i.e. Settlement of Repo SBB with rerouting of coupon/interest or reward payments at the date of coupon/interest or reward payments to the Participant borrowing fund.

b) Repo Collateralized Borrowing (Repo CB)

(1) Repo CB type 1, i.e. Settlement of Repo CB in which the Securities remains in the Securities Account of the Participant borrowing fund.

(2) Repo CB type 2, i.e. Settlement of Repo CB with the record of the Securities in the Securities Account of the Participant lending fund and rerouting of coupon/interest or reward payments at the date of coupon/interest or reward payments to the Participant borrowing fund.

12) Settlement of pledge transactions as referred to in item 10)b)(4) consists of:

a) Pledge type 1, i.e. Settlement of pledge transactions in which the Securities remains in the Securities Account of the

Participant giving collateral/ providing pledge.

- b) Pledge type 2, i.e. Settlement of pledge transactions with the record of Securities in the Securities Account of the Participant receiving collateral/pledge and rerouting of coupon/interest or reward payments at the date of coupon/interest or reward payments to the Participant providing collateral/pledge.

13) Settlement of Securities Lending and Borrowing transactions (SLB) as referred to in item 10)b)(5) consists of:

- a) SLB type 1, i.e. Settlement of SLB transactions without rerouting of coupon/interest or reward payments at the date of coupon/interest or reward payments for both Securities lent and Securities as the collateral for SLB transactions.
- b) SLB type 2, i.e. Settlement of SLB transactions with rerouting of coupon/interest or reward payments at the date of coupon/interest or reward payments for Securities as the collateral for SLB transactions to the Participant borrowing the Securities needed.
- c) SLB type 3, i.e. Settlement of SLB transactions with rerouting of coupon/interest or reward payments at the date of coupon/interest or reward

payments...

payments for the Securities lent to the Participant lending the Securities.

- d) SLB type 4, i.e. Settlement of SLB transactions with rerouting of coupon/interest or reward payments at the date of coupon/interest or reward payments for both Securities lent and Securities as the collateral for SLB transactions to both Participant that lending the Securities and Participant borrowing the Securities it needs.
 - e) SLB type 5, i.e. Settlement of SLB transactions using Cash as the collateral with rerouting of coupon/interest or reward payments at the date of coupon/interest or reward payments for the Securities lent to the Participant lending the Securities.
- 14) Securities already recorded as collateral in BI-SSSS may not be used for other transactions.
- b. Delivering and Processing Settlement Instruction
- 1) Conduct of Settlement of inter-Participant Securities transactions shall be conducted with a matching principle, i.e. data on Settlement instruction sent by both Participants must be matched.
 - 2) Delivering Settlement instructions as referred to in item 1), may be conducted by Participants with mechanism as follows:
 - a) Both Participants construct and submit the Settlement instruction; or

b)...

- b) one of the Participants construct and submit the Settlement instruction, and the counterparty only conduct make pair based on the Settlement instruction from the Participant constructing the Settlement instruction.
- 3) Every instruction of Settlement have a communication reference which is a unique code, with the following conditions:
- a) Communication reference is filled out with reference number of the transaction reporting, obtained from the Unit of Securities Transaction Report (PLTE).
 - b) In the event the transactions of Securities conducted by Participants do not have to be reported to PLTE, the filling of communication reference is conducted with the following conditions:
 - (1) communication reference consists of 16 (sixteen) digits of combination of numbers and letters with the format as referred to in Attachment X.
 - (2) communication reference already used in Settlement of a Securities transaction may not be reused as long as:
 - (a) Settlement of such Securities transaction has not been successfully conducted (in queue);

- (b) queued Settlement instruction of such Securities transaction has not been cancelled; or
 - (c) Settlement of the second leg of Securities transaction is not due yet.
- 4) Instruction of Securities Settlement in BI-SSSS as referred to in item 2) is based on an instruction for transfer of Securities according to the terms set by each Participant.
- 5) In the event the data on the instruction of Securities Settlement has not make the matching in SCN successful or the instruction of Securities Settlement from the counterparty has not been received in SCN, then the instruction of Securities Settlement will be put in queue.
- 6) Processing of Securities Settlement instruction in BI-SSSS is conducted by considering among others:
 - a) adequacy of Securities balance in the Securities Account or Securities Sub-Account of the Participant or the owner of the Securities Account;
 - b) sufficient Fund balance in the Fund Settlement Account of the Participant or Cash Settlement Agent of the Participant;
 - c) priority level of the transaction in BI-SSSS and Sistem BI-RTGS;
 - d) sequence...

- d) sequence of the transaction sent to BI-SSSS.
 - e) cash settlement limit (of Sub-Registry given by its Cash Settlement Agent);
 - f) periods in BI-SSSS operational hours predetermined by the Operator to process Securities Settlement instruction;
 - g) status of Participant in BI-SSSS;
 - h) status of Participant and/or Cash Settlement Agent (of Sub-Registry) in Sistem BI-RTGS; and
 - i) cut off times of BI-SSSS receiving instructions and processing Settlement of Securities or other financial instruments.
- 7) Operator determines the priorities of Securities Settlement in BI-SSSS with the following conditions:
- a) High Priority
 - (1) Instructions of Settlement included in the high priority group among others Settlement of TDBI, Securities transactions with the Government, and FLI transaction.
 - (2) High priority group consists of priority number of 1000 up to 1029.
 - b) Normal Priority
 - (1) Instructions of Settlement included in the normal priority group among

- others Settlement of inter-Participant Securities transactions.
- (2) Normal priority group consists of priority number of 1030 up to 1059.
- c) Low Priority
 - (1) Instructions of Settlement included in the low priority group among others Settlement of inter-Participants Securities transactions.
 - (2) Low priority group consists of priority number of 1060 up to 1089.
- 8) Settlement of queued instructions of Securities Settlement as referred to in item 5) shall be governed with the following conditions:
 - a) Settlement of the queues conducted with the following principles:
 - (1) First In First Out (FIFO) principles for Settlement of Securities outright transaction, Securities transfer, and Securities lent in SLB transaction.
 - (2) First Available First Out (FAFO) principles for Settlement of Securities of repo transaction, Securities of pledge transaction, and Securities as the collateral in SLB transaction.

(3) In...

- (3) In the event the Settlement is performed by way of DvP, the conduct of Settlement for fund in queue is in accordance with the principles and mechanism for the queues in Sistem BI-RTGS.
- b) Settlement of Securities in queue with FIFO principle as referred to in letter a) is conducted with the following conditions:
- (1) Settlement of the queues of low priority group is conducted after the Settlement of the queues of high priority group and normal priority group is successfully conducted.
 - (2) Settlement of the queues of normal priority group is conducted after the Settlement of the queues of high priority group is successfully conducted.
 - (3) Instruction of Securities Settlement in queue will be cancelled automatically by the system in the beginning of cut-off warning period of BI-SSSS or at the predetermined time.
 - (4) Participant may perform priority management for normal priority and low priority groups.

(5) Priority management as referred to in item (4) is conducted by the following procedure:

(a) Reordering

Reordering is conducted by changing priority number of queued Securities Settlement instruction within the same group of priorities.

(b) Reprioritization

Reprioritization is conducted by changing the priority group, from normal priority group to low priority group or vice versa.

(c) Cancellation

Cancellation is conducted by cancelling Securities Settlement instruction in queue.

9) Participant may conduct cancellation of queued Securities Settlement instruction as referred to in item a.3) and item 5) with the following conditions:

a) cancellation of queued Securities Settlement instruction may be conducted by Participant unilaterally, in case its counterparty has not sent the instruction to SCN; or

b) cancellation of queued Securities Settlement instruction may be conducted by Participant based on the

agreement...

agreement of both parties in the event the instructions from both parties are already matched but put/still in queue or the instructions from both parties are not matched.

10) Participant may send instruction of future date Securities Settlement for value date no longer than 7 (seven) working days since the date of Securities Settlement instruction is received in SCN.

11) Participant may determine time of Settlement to be conducted in predetermined periods during BI-SSSS operational hours as follows:

a) the earliest time or from when Securities Settlement may be conducted, and if it may be settled, it is put in queue; and/or

b) the latest time or up to when Securities Settlement may be conducted, and if it may be settled until such certain time, it may be cancelled or remain in queue.

c. Appointment of Sub-Registry and Cash Settlement Agent

1) Each party of non-Participant purchasing Securities shall appoint a Sub-Registry to conduct administration of the Securities it owns.

2) Sub-Registry and Participant that do not have Fund Settlement Account shall appoint a Cash Settlement Agent to carry out Fund Settlement.

3) Appointment...

- 3) Appointment of Cash Settlement Agent is done with the following conditions:
 - a) Appointment of Cash Settlement Agent by Sub-Registry and Participant that do not have Fund Settlement Account as referred to in item 2) is conducted by submitting a letter of appointment for the concerned Cash Settlement Agent to the Operator completed with a confirmation letter as the Cash Settlement Agent and power of attorney from the Cash Settlement Agent.
 - b) Participant as referred to in letter a) may appoint more than 1 (one) Cash Settlement Agent for Fund Settlement of inter-Participant Securities transaction in the secondary market.
- 4) Cash Settlement Agent shall carry out management for limit used for fund Settlement (cash settlement limit) for Participant (Sub-Registry) appointing Cash Settlement Agent, with the following conditions:
 - a) Determination of the cash settlement limit is based on the agreement between Cash Settlement Agent and Participant (Sub-Registry) appointing Cash Settlement Agent.
 - b) The cash settlement limit may increase or decrease during the operational hours based on the Fund Settlement of

the Securities transactions of the Participant (Sub-Registry).

- c) The Cash Settlement Agent shall monitoring the cash settlement limit of Participant (Sub-Registry) it serves.

4. Management of Securities Made as Collaterals (Collateral Management) by Operator

- a. Operator shall determine the parameter for the management of Securities Made as Collaterals (Collateral Management) for the execution of transaction Settlement conducted with Bank Indonesia among others transactions of Monetary Operations, Sharia Monetary Operations and FLI transactions.

- b. Parameter as referred to in letter a, among others shall cover the type of Securities, deadline of tradable Securities, and haircut.

5. Payment of Coupon/interest or Yield and Repayment of Principal/Nominal

- a. Operator shall make payments of coupon/interest or yield, and principal/nominal of Securities financial instruments to Participants; a. Operator...

- b. In the activities of payments and repayments as referred to in letter a, Operator shall have the right to debit Fund Settlement Accounts of Participants, issuers of Securities and other financial instruments;

- c. Calculation of the payment and repayment values shall refer to the terms and conditions of the respective series of Securities and other financial instruments;

d. Beneficiaries...

- d. Beneficiaries of the payments of coupon/interest or yield and repayments of principal/nominal at maturity date, i.e. Participants listed as the owners of Securities or other financial instruments at the end of the day of the deadline date for determining the beneficiaries of coupon/interest or yield payments and principal/nominal repayments.
- e. In the event there are rerouting of coupon/interest or yield, payments of coupon/interest or yield to Participants shall be conducted in accordance with the kind and type of Securities transactions made by Participants.
- f. The deadline for determining the beneficiaries for coupon/interest or yield payments and principal/nominal repayments as referred to in letter d shall refer to the terms and conditions of each series of Securities and other financial instruments.
- g. The repayments of principal/nominal before maturity date (early redemption) can be done based on instructions from the issuer of the Securities or other financial instruments.
- h. Operator shall conduct payments of coupon/interest or yield and repayments of principal/nominal subject to the following conditions:
 - 1) In the case of payments of coupon/interest or yield, conducts Fund Settlement by debiting Fund Settlement Accounts of issuers and crediting Fund Settlement Accounts of Participants or Cash Settlement

- Agents at the value of the coupon/interest or yield at maturity.
- 2) In the case of repayments of principal/nominal:
- a) conduct Fund Settlement by debiting Fund Settlement Accounts of issuers and crediting Fund Settlement Accounts of Participants or Cash Settlement Agents at par value maturity or early redemption; and
 - b) conduct Securities Settlement by debiting DEPO accounts of Participants and crediting ISSU accounts of issuers at par value of Securities or other financial instruments at maturity or early redemption.
- i. Early redemption of Fund Settlement can be accompanied by payments of accrued interests or parts of yield.
- j. In the event the payment date of coupon/interest or yield and the repayment date of principal/nominal of Securities and other financial instruments are holidays, their execution will be conducted the next working days.
- k. Sub-Registry must forward the payments of coupon/interest or yield as well as principal/nominal repayments to the entitled customers according to the record of individual ownership in the Sub-Registry system on the same date as the date of payments of

coupon...

coupon/interest or yield as well as the date of repayments of principal/nominal by Operator.

1. In case the Sub-Registry do not continue to pay coupon/interest or yield as well as to repay principal/nominal as referred to in letter j, the Sub-Registry must give compensation to customers in accordance with the agreement of the Sub-Registry and its customers.
6. Reports on Position of Securities Accounts
- a. Participants that own Securities Accounts obtain reports on the daily position of Securities Accounts from the Operator at the end of each day when the system closed.
 - b. Participants can obtain information on the position of their Securities Accounts during operational time of BI-SSSS.
 - c. The daily position reports of Securities Accounts as referred to in letter a shall contain information of movement on Securities Account during operational time of BI-SSSS that affect changes in the record position of the Securities Accounts of Participants.
 - d. In case there is discrepancy in the daily position of Securities Accounts recorded in the Participants' system with the Operator system, therefore, the daily position of Securities Accounts recorded in the Operator system will be used.

E. Administration of Monetary Operation and Sharia Monetary Operation Transactions

1. Administration...

1. Administration of Monetary Operation and Sharia Monetary Operation Transactions in the context of Liquidity Absorption
 - a. Settlement of Monetary Operation and Sharia Monetary Operation Transactions in the context of reducing liquidity absorption consist of:
 - 1) Settlement transactions of issuance among others are Certificates of Bank Indonesia (SBI), Certificates of Bank Indonesia Syariah (SBIS), and Bank Indonesia Certificates of Deposits (SDBI).
 - 2) Settlement transactions in the context of placement among others are Term Deposit, Deposit Facility, and Deposit Facility of Bank Indonesia Syariah (FASBIS).
 - 3) Settlement transactions of secondary market among others are Reverse Repo SBN and outright sale of SBN.
 - b. Execution of Settlement as referred to in letter a shall be conducted as gross to gross with the procedure as follows:
 - 1) Fund Settlement shall be conducted by debiting Fund Settlement Accounts of Participants at the value of Settlement that become the Participant obligations.
 - 2) After the Fund Settlement succeeded, Settlement of Securities in BI-SSSS shall be conducted as follows:
 - a) In the event transactions of issuance and transactions in the context of placement as referred to in item a.1) and item a.2), Settlement shall be

conducted...

conducted by debiting ISSU-ISSU accounts of Bank Indonesia and crediting DEPO-AVAI accounts of Participants at the par value of the issuance or placement.

b) In the event of transactions in secondary markets as referred to item a.3), Settlement shall be conducted as follows:

(1) for Reverse Repo SBN transactions:

(a) record Reverse Repo SBN transactions by debiting CASHVI-AVAI accounts of Participants and crediting CASHVI-AVAI account of Bank Indonesia at the value of Reverse Repo SBN Settlement;

(b) debit DEPO-AVAI account of Bank Indonesia and credit DEPO-AVAI accounts of Participants at the par value of the Securities, in case Bank Indonesia use the type of Repo SBB transactions.

(c) debit DEPO-AVAI account of Bank Indonesia and credit REPO-PLED account of Bank Indonesia at the par value of the Securities, in case Bank Indonesia use the type of Repo CB type 1 transactions.

(d) debit...

- (d) debit DEPO-AVAI account of Bank Indonesia and credit REPO-PLED accounts of Participants at the par value of the Securities, in case Bank Indonesia use the type of Repo CB type 2 transactions.
 - (2) For outright sale of SBN transactions, debit DEPO-AVAI account of Bank Indonesia and credit DEPO-AVAI accounts of Participants at the par value of the Securities.
- c. In the event Fund Settlement and/or Securities Settlement are not succeeded due to the balance of Fund Settlement Accounts and/or the balance of Security Accounts insufficient until the deadline of Settlement of Monetary Operation and Sharia Monetary Operation transactions or the beginning period of BI-SSSS cut-off warning, the system will cancel the Settlement as referred to in letter b.
- d. Execution of Maturity Settlement of Monetary Operations and Sharia Monetary Operations shall be conducted earlier in the day with procedure as follows:
 - 1) Maturity Settlement in the context of repayment among others for SBI, SBIS, SDBI, Term Deposit, Deposit Facility, and FASBIS as referred to in item a.1) and item a.2) shall be conducted as follows:
 - a) Securities...

- a) Securities Settlement is conducted by debiting DEPO-AVAI Accounts of Participants and crediting ISSU-DRAW Account of Bank Indonesia at the maturity par value.
 - b) Fund Settlement is conducted by crediting Fund Settlement Accounts of Participants or Cash Settlement Agents at maturity par value.
 - c) Fund Settlement as referred to in letter b) can be accompanied by payment of interest or yield in accordance with the terms and conditions set in the provision of Monetary Operations and Sharia Monetary Operations.
- 2) Second leg Reverse Repo SBN Settlement as referred to in item a.3) shall be conducted as follows:
- a) Securities Settlement are conducted by:
 - (1) recording second leg reverse Repo SBN transactions by debiting CASHVI-AVAI Account of Bank Indonesia and crediting CASHVI-AVAI Accounts of Participants at the settlement value of second leg reverse Repo SBN; and
 - (2) debiting DEPO-AVAI Accounts of Participants and crediting DEPO-AVAI Account of Bank Indonesia at the par value of SBN.
 - b) After Securities Settlement succeeded, Fund Settlement shall be conducted by

debiting...

debiting Fund Settlement Account of Bank Indonesia and crediting Fund Settlement Accounts of Participants or Cash Settlement Agents at the Settlement value, according to the kind and type of Repo used.

c) In the event Securities Settlement are not succeeded due to insufficient balance of the Securities Account until the deadline of Settlement of Monetary Operation and Sharia Monetary Operation transactions or the beginning period of BI-SSSS cut-off warning, the system will cancel Settlement as referred to in letter b).

d) Upon the cancellation of transaction Settlement as referred to in letter c), transactions of Reverse Repo SBN shall be treated as outright transactions.

2. Administration of Monetary Operation and Sharia Monetary Operation Transactions in the context of Liquidity Injection

a. Settlement of Monetary Operation and Sharia Monetary Operation Transactions in order to add liquidity injection in rupiah money market among others consist of Repo Settlement, outright sale of SBN, and lending facility.

b. Settlement as referred to in letter a shall be conducted on transaction-by-transaction basis with procedure as follows:

1) Securities Settlement conducted by:

a) For...

a) For Repo and lending facility transactions:

(1) recording the transactions of Repo and lending facility by debiting CASHVI-AVAI account of Bank Indonesia and crediting CASHVI-AVAI accounts of Participants at the value of Repo and lending facility Settlement.

(2) debiting DEPO-AVAI accounts of Participants and crediting DEPO-AVAI account of Bank Indonesia at the par value of the Securities, in the case Bank Indonesia use the transaction type of Repo SBB;

(3) debiting DEPO-AVAI accounts of Participants and crediting REPO-PLED accounts of Participants at the par value of the Securities, in the case Bank Indonesia use the transaction type of Repo CB type 1; or

(4) debiting DEPO-AVAI accounts of Participants and crediting REPO-PLED account of Bank Indonesia at the par value of the Securities, in the case Bank Indonesia use the transaction type of Repo CB type 2;

b) For transactions of outright sale of SBN, by debiting DEPO-AVAI accounts of Participants and crediting DEPO-AVAI

account...

account of Bank Indonesia at par value of Securities.

- 2) After the Settlement of Securities succeeded, Fund Settlement shall be conducted by crediting Fund Settlement Accounts of Participants or Cash Settlement Agents at the value of Settlement.
- c. In the event Securities Settlement as referred to in b.1) unsuccessfully executed due to insufficient balance of Bank Securities Accounts until the deadline of Monetary Operation and Sharia Monetary Operation Settlement transactions or the beginning period of BI-SSSS cut-off warning, the system will cancel the transactions of Settlement.
- d. Execution of maturity Settlement upon Monetary Operations and Sharia Monetary Operations conducted earlier in the day for the second leg Repo and second leg lending facility Settlement as referred to in letter a shall be conducted with the procedure as follows:
 - 1) Fund settlement shall be conducted by debiting Fund Settlement Accounts of Participants or Cash Settlement Agents and crediting Fund Settlement Account of Bank Indonesia at the Settlement value, in accordance with the kind and type of Repo used.
 - 2) After Fund Settlement are succeeded, Securities Settlement shall be conducted by:
 - a) recording the second leg Repo and second leg lending facility transactions

by...

- by debiting CASHVI-AVAI accounts of Participants and crediting CASHVI-AVAI account of Bank Indonesia at the settlement value of the second leg Repo and second leg lending facility.
- b) debiting DEPO-AVAI Account of Bank Indonesia and crediting DEPO-AVAI Accounts of Participants at the par value of the Securities.
- 3) In the event Fund Settlement are not succeeded due to insufficient balance of the Fund Settlement Accounts until the deadline of Monetary Operation and Sharia Monetary Operation Settlement transactions or the beginning period of BI-SSSS cut-off warning, the system will cancel the transactions of Settlement as referred to in item 1).
- e. Upon the cancelation of Settlement transactions as referred to in item d.3) the following matters shall be applied:
- 1) execution of early redemption for Securities issued by Bank Indonesia; or
 - 2) treated as outright transactions, for Securities issued by other than Bank Indonesia.
3. Payment of Coupon/Interest or Yield of Transactions with Bank Indonesia (*TDBI-Transaksi dengan Bank Indonesia*).
- Payments of Coupon/Interest or Yield of TDBI shall be made by the following procedure:
- a. Payments of Coupon/Interest or Yield based on the position of end of day record of TDBI

ownership...

ownership in Central Registry shall be made on the due date of the beneficiaries of coupon/interest or yield in accordance with the terms and conditions of TDBI.

- b. Operator shall make payments of coupon/interest or yield on Securities issued by Bank Indonesia in the context of TDBI in accordance with the terms and conditions from Bank Indonesia.
 - c. Execution of payments and the amount of coupon/interest or yield shall refer to the provisions that govern Monetary Operations and Sharia Monetary Operations.
4. Repayments of Principal Transaction with Bank Indonesia (TDBI)

Repayments of Principal TDBI shall be made with the following procedure:

- a. Repayments of TDBI principal can be made prior to maturity date (early redemption) and at maturity date in accordance with the terms that govern Monetary Operations and Sharia Monetary Operations.
- b. Repayments of TDBI principal shall be made with the following conditions:
 - 1) Fund Settlement shall be conducted by debiting the Fund Settlement Accounts of Participants or Cash Settlement Agents at par value of maturity or early redemption.
 - 2) Securities Settlement shall be conducted by debiting DEPO-AVAI Accounts of Participants and crediting ISSU-DRAW

Account...

Account Bank Indonesia at par value of maturity or early redemption.

- c. Payments of TDBI nominal settlement shall be based on the position of TDBI ownership record in BI-SSSS on the deadline date of the nominal repayments beneficiary determination in accordance with the terms and conditions of TDBI.
 - d. Execution of repayments of TDBI nominal shall be conducted by referring to the conditions that govern Monetary Operations and Sharia Monetary Operations.
 - e. In the event TDBI are in the form of Securities and owned by customers of a Sub-Registry, the Sub-Registry must forward the settlement of principal/nominal repayments of Securities on the same date to the customers, owners of the Securities.
 - f. In the event the concerned Sub-Registry does not forward the settlement of principal/nominal repayment of Securities to the customers, owners of the Securities on the same date as referred to in letter e, the Sub-Registry must pay compensation to the customers, owners of the Securities in accordance with the agreement between the Sub-Registry and the Customer.
5. Execution of Administrative Sanction Imposition on the Obligation to Pay in the Context of Monetary Operations and Sharia Monetary Operations
- Operator shall debit the Fund Settlement Accounts of Participants or Cash Settlement Agents for the imposition of administrative sanction of paying

penalties...

penalties in accordance with the provision that governs Monetary Operations and Sharia Monetary Operations.

F. Administration of SBN Transactions

1. Administration of SBN Transactions

a. Operator shall conduct Settlement of SBN upon:

- 1) SBN issuance transactions conducted through auction by Bank Indonesia, among others auctions of SUN and SBSN;
- 2) SBN issuance transactions conducted not through auctions by Bank Indonesia, among others, are SBN sales by the Government through book-building and private placement;
- 3) buyback transactions by cash or debt switching; and
- 4) SBN lending transactions by Main Dealers.

b. The Government accounts as the issuer of SBN used in the context of Settlement of SBN transactions namely accounts administered in Operator are as follows:

- a) Fund Settlement Account of the Government in the context of SBN management used for:
 - a) execution of payments in the context of settlement of obligations for payments of coupon/interest or yield, repayments of principal/nominal and other obligations related to SBN; and
 - b) receipt of proceeds from issuance or other receipts related to transactions of SBN.

b) Securities...

- b) Securities Account of the Government in the context of SBN issuance and in the context of recording the ownership and/or activities of the Government SBN transactions as the SBN issuer, among others transactions of SBN lending to Main Dealers.

2. Settlement of SBN Issuance Transactions

- a. Settlement of SBN issuance transactions as referred to in item 1.a.1) and item 1.a.2) shall be conducted on the date of Settlement, with the following conditions:

1) Fund Settlement

- a) Fund Settlement for issuance transactions shall be conducted by DvP.
- b) Execution of fund Settlement by DvP as referred to in letter a) shall be conducted by debiting Fund Settlement Accounts of Participants or Cash Settlement Agents and crediting Fund Settlement Account of the Government, at the Settlement value.
- c) Execution of Fund Settlement shall be conducted by FIFO in accordance with the sequence of transactions.

2) Securities Settlement

- a) Execution of Securities Settlement shall be conducted after the fund Settlement as referred to in item 1).b) conducted successfully.
- b) Execution of Securities Settlement shall be conducted by debiting ISSU-ISSU Accounts of the Government and

crediting...

crediting DEPO-AVAI Accounts of Participants, at the par value of SBN.

- b. In the event the balance of Fund Settlement Accounts of Participants or Cash Settlement Agents is insufficient up to the due date of SBN transaction Settlement or the beginning period of BI-SSSS cut-off warning, the system will cancel the SBN transaction Settlement.

3. Settlement of SBN Buyback Transactions by the Government

Operator shall conduct buyback Settlement on the date of Settlement with the following conditions:

a. Buyback auction by Cash

1) Securities Settlement

- a) Operator shall debit DEPO-AVAI Accounts of Participants and credit the ISSU-ISSU Accounts of the Government, at the nominal value upon the buyback SBN series, in the event the Securities are repaid prior to maturity date (early redemption); or

- b) Operator shall debit DEPO-AVAI Accounts of Participants and credit DEPO-AVAI Account of the Government, at the par value of the buyback SBN series, in the case SBN are not repaid.

2) Fund Settlement

Fund Settlement shall be conducted by debiting Fund Settlement Account of the Government and by crediting Fund Settlement Accounts of Participants or Cash Settlement Agents at the Settlement value.

- 3) In the event the balance of Securities Accounts of Participants is insufficient for the execution of Securities Settlement up to the deadline of Settlement determined by the government or the beginning period of BI-SSSS cut-off warning, the system will cancel Settlement of SBN buyback transactions.

b. Buyback Auction by Debt Switching

1) Securities Settlement

- a) Settlement upon Switched SBN (Source Bond)

Settlement upon Switched SBN shall be conducted as follows:

- (1) Operator shall debit DEPO-AVAI Accounts of Participants and credit ISSU-ISSU Account of the Government, at par value upon the series of Switched SBN, in the case of the Switched SBN is repaid before maturity (early redemption);
or

- (2) Operator shall debit DEPO-AVAI accounts of Participants and credit DEPO-AVAI account of the Government, at the par value upon the Switched SBN, in case the SBN is not repaid.

- b) Settlement upon Substitution SBN (Destination Bond)

Settlement upon Substitution SBN shall be conducted by debiting ISSU-ISSU Accounts of the Government and

crediting...

crediting DEPO-AVAI Accounts of Participants, at par value upon the series of the Substitution SBN.

2) Fund Settlement

Operator shall conduct Fund Settlement upon the cash difference as follows:

- a) In the event of cash difference occurs at the expense of the Government, Fund Settlement shall be conducted by debiting Fund Settlement Accounts of the Government and crediting Fund Settlement Account of the Participants or Cash Settlement Agents, at the cash difference value.
 - b) In the event of cash difference occurs at the expense of the Participants, Fund Settlement shall be conducted by debiting Fund Settlement Accounts of the Participants or Cash Settlement Agents and crediting Fund Settlement Account of the Government, at the cash difference value.
- 3) In the event the balance of the Securities Accounts of Participants is insufficient for the execution of Securities Settlement or the balance of Fund Settlement Accounts of Participants is insufficient for the execution of Fund Settlement upon the cash difference up to the deadline of Settlement determined by the government or the beginning period of BI-SSSS cut-off warning, the system will

cancel...

cancel the Settlement of SBN switching transactions.

4. Settlement of SBN Lending by Main Dealers

a. Settlement of SBN Lending shall be conducted with the following procedure:

1) Fund Settlement

Operator shall conduct Settlement on the lending fee of SBN by debiting Fund Settlement Accounts of Participants or Cash Settlement Agents and crediting Fund Settlement Account of the Government, at the SBN lending fee.

2) Securities Settlement

a) In the event Fund Settlement upon SBN lending fee as referred to in item 1) are succeeded, Bank Indonesia on behalf of the Government and Participants or Sub-Registry shall conduct Settlement upon the collateralized SBN lending and SBN lent with the type of SLB transaction of type 1.

b) Bank Indonesia shall conduct Settlement of SBN issuance lent by debiting ISSU-ISSU Accounts of the Government and crediting DEPO-AVAI Accounts of Participants or Sub-Registry, at the par value of the SBN series lent.

b. At the maturity date of SBN lending, Settlement of SBN lending repayments shall be conducted as follows:

1) Operator...

- 1) Operator shall conduct Settlement of SLB maturity type 1 (second leg) as follows:
 - a) for SBN lent, it shall be conducted by debiting DEPO-AVAI Accounts of Participants or Sub-Registry and crediting DEPO-AVAI Account of the Government at the par value of SBN lent; and
 - b) for SBN collateralized, it shall be conducted by debiting DEPO-AVAI Account of the Government and crediting DEPO-AVAI Accounts of Participants or Sub-Registry at the par value of SBN collateralized.
 - 2) In the event Settlement as referred to in item 1) succeeded to be done, Operator shall conduct repayments prior to maturity date (early redemption) upon the SBN series lent by debiting DEPO-AVAI Account of the Government and crediting ISSU-DRAW Account of the Government, at the par value of SBN repaid.
- c. Settlement of SBN Lending Facility Extension shall be conducted by the following procedure:
- 1) In the event Main Dealers have obtained approval to extend the SBN lending facility from the Minister of Finance of the Republic of Indonesia c.q. DJPPR, procedure of SBN lending fee payment shall be conducted as referred to in item a.1).
 - 2) At the maturity date of SBN lending extension, the repayment of SBN lending

shall...

shall be conducted according to the procedure as referred to in letter b.

d. Settlement of SBN Guarantee

In the event Settlement of SBN lent repayment are otherwise fail and the Government has decided the repayment of the entire or a part of the SBN collateralized, Operator shall conduct:

- 1) settlement prior to maturity (early redemption) at the SBN value determined by the Government for repayments.
- 2) debiting the Fund Settlement Accounts of Participants or Cash Settlement Agents at the less difference of SBN market value, in the event the market value for SBN declared paid is smaller than the market value of SBN lent.

5. Payment of Coupon/Interest or Yield and Repayment of SBN principal

a. Payment of Coupon/Interest or Yield shall be conducted with the procedure as follows:

- 1) The values of coupon/interest or yield payments shall be based on the calculation and rate of coupon/interest or yield in accordance with the terms and conditions of each SBN series.
- 2) Payments of coupon/interest or yield shall be conducted based on the position of SBN ownership record in BI-SSSS at the end of the day of the deadline date of determination on the beneficiaries of coupon/interest or yield according to the terms and condition of each SBN series.

3) Operator...

- 3) Operator shall make payments of coupon/interest or yield at maturity date of coupon/interest or yield, by debiting the Government Fund Settlement Account and crediting Participants or Cash Settlement Agent Fund Settlement Accounts, at the value of coupon/interest or yield.
 - 4) Sub-Registry must forward/transfer the payments of coupon/interest or yield to its SBN-owner customers on the same date as the date of payments of coupon/interest or rewards by the Operator.
 - 5) In the event Sub-Registry does not transfer the payments of coupon/interest or rewards on the same date as referred to in item 4), the Sub-Registry must pay compensation to its SBN-owner customers according to the agreement between the Sub-Registry and its concerned customer.
- b. Repayment of SBN Nominal shall be conducted with the following conditions:
- 1) Repayment of SBN can be conducted prior to the maturity date (early redemption) and at the maturity date in accordance with Bank Indonesia regulation that governs auction and administration of SBN.
 - 2) In the event the repayments of SBN are conducted prior to the maturity date (early redemption), the Security Account owners in BI-SSSS who will sell the SBN, must have sufficient balances in their Securities

Accounts at the nominal value of the SBN series that will be repaid.

- 3) SBN repayments prior to the maturity date (early redemption) and at the maturity date shall be conducted by the following procedure:
 - a) Securities Settlement shall be conducted by debiting DEPO-AVAI Accounts of Participants and crediting ISSU-DRAW Account of the Government at the nominal value of the SBN series repaid.
 - b) Fund Settlement shall be conducted by debiting the Government Fund Settlement Account and crediting Fund Settlement Accounts of Participants or Cash Settlement Agents at the nominal value of the SBN series repaid.
 - c) For repayments prior to maturity date (early redemption) upon the SBN series with coupon/interest or yield, Settlement of accrued interests or parts of yields payments shall be performed by debiting the Government Fund Settlement Account and crediting Fund Settlement Accounts of Participants or Cash Settlement Agents at the values of the accrued interests or parts of yields.
- 4) Repayments of SBN principal shall be performed based on position of SBN ownership record in BI-SSSS at the end of the day of the deadline date of the

determination...

determination on principal repayment beneficiaries according to the terms and conditions of each SBN series.

- 5) Sub-Registry must forward the payments of SBN principal/nominal repayment to SBN-owner customers on the same date of the date of payments of SBN principal/nominal repayment by the Operator.
- 6) In the event Sub-Registry do not forward the payments of SBN principal/nominal repayment as referred to in item 5), Sub-Registry must pay compensation to SBN-owner customers in accordance with the agreement between the Sub-Registry and its customers.

G. Administration of Financial Market Transactions

1. Settlement of Secondary Market Transactions between Participants

a. Participants having Securities Accounts can perform Settlement of Securities transactions in secondary markets with other Participants through BI-SSSS for Securities transactions as follows:

- 1) Outright transactions
- 2) Repo transactions
- 3) Transfer transactions
- 4) Pledge transactions
- 5) Securities lending and borrowing transactions

b. Settlement of outright transactions as referred to in item a.1) shall be performed with the following conditions:

- 1) Settlement...

- 1) Settlement of outright transactions done by DvP.
- 2) Settlement of outright transactions shall be performed by procedures as follows:
 - a) Fund settlement done by debiting Fund Settlement Accounts of Buyer Participants or Cash Settlement Agents and crediting Fund Settlement Accounts of Seller Participants or Cash Settlement Agents at the value of Fund Settlement; and
 - b) Securities settlement done by debiting DEPO-AVAI Accounts of Seller Participants and crediting DEPO-AVAI Accounts of Buyer Participants at the par value of the Securities.
- c. Settlement of Repo transactions as referred to in item a.2) shall be performed with the following conditions:
 - 1) Settlement of Repo transactions done by DvP.
 - 2) Settlement of SBB Repo transactions done by the following conditions:
 - a) Ownership of Securities transferred from the borrowing Participants (borrowers) to the lending Participants (lenders).
 - b) Participants lending funds can make transactions of the Securities from Repo transaction Settlement.
 - c) Execution of first leg Settlement shall be performed by the following procedure:

(1) Fund Settlement

Fund Settlement done by debiting Fund Settlement Accounts of the lending Participants or Cash Settlement Agents and crediting Fund Settlement Accounts of the borrowing Participants or Cash Settlement Agents at the value of Repo Settlement.

(2) Securities Settlement

Settlement of Securities shall be performed as follows:

(a) Recording Repo transactions by debiting CASHVI-AVAI accounts of the lending Participants and crediting CASHVI-AVAI Accounts of the borrowing Participants at the value of Repo Settlement; and

(b) Debiting DEPO-AVAI accounts of the borrowing Participants and crediting DEPO-AVAI accounts of the lending Participants at the par value of the Securities.

d) Execution of second leg Settlement shall be made by the following procedure:

(1) Fund Settlement

Fund Settlement done by debiting Fund Settlement Accounts of the borrowing Participants or Cash Settlement Agents and crediting

Fund Settlement Accounts of the lending Participants or Cash Settlement Agents at the maturity value of Repo Settlement (second leg), in accordance with the type of SBB Repo used.

(2) Securities Settlement

Settlement of Securities shall be performed as follows:

(a) Recording second leg Repo transactions by debiting CASHVI-AVAI accounts of the borrowing Participants and crediting CASHVI-AVAI Accounts of the lending Participants at the value of second leg Repo Settlement; and

(b) Debiting DEPO-AVAI accounts of the lending Participants and crediting DEPO-AVAI accounts of the borrowing Participants at the par value of the Securities.

3) Settlement of CB Repo transactions shall be performed with the following conditions:

a) Securities holdings shall remain at the borrowing Participants.

b) Execution of first leg Settlement shall be performed as follows:

(1) Fund Settlement

Fund...

Fund Settlement done by debiting Fund Settlement Accounts of the lending Participants or Cash Settlement Agents and crediting Fund Settlement Accounts of the borrowing Participants or Cash Settlement Agents at the value of Repo Settlement.

(2) Securities Settlement

(a) Recording Repo transactions by debiting CASHVI-AVAI accounts of the lending Participants and crediting CASHVI-AVAI Accounts of the borrowing Participants at the value of Repo Settlement; and

(b) Performing Settlement of Securities with the following conditions:

i. transferring Securities from DEPO-AVAI accounts to REPO-PLED accounts of the borrowing Participants at par value of the Securities, in the event the Participants choose CB Repo type 1; or

ii. debiting DEPO-AVAI accounts of the borrowing Participants and crediting REPO-PLED accounts of the lending Participants at the par value of the Securities,

in...

in the event the Participants
choose CB Repo type 2.

- c) Execution of second leg Settlement shall
be performed by the following
procedure:

(1) Fund Settlement

Fund Settlement done by debiting
Fund Settlement Accounts of the
borrowing Participants or Cash
Settlement Agents and crediting
Fund Settlement Accounts of the
lending Participants or Cash
Settlement Agents at the value of
Maturity Repo Settlement (second
leg).

(2) Securities Settlement

- (a) Recording second leg Repo
transactions by debiting
CASHVI-AVAI accounts of the
borrowing Participants and
crediting CASHVI-AVAI
Accounts of the lending
Participants at the value of
second leg Repo Settlement;
and

- (b) transferring Securities from
REPO-PLED accounts to
DEPO-AVAI accounts of the
borrowing Participants at par
value of the Securities, in the
event the Participants choose
CB Repo type 1; or

(c) debiting...

- (c) debiting REPO-PLED accounts of the lending Participants and crediting DEPO-AVAI accounts of the borrowing Participants at the par value of the Securities, in the event the Participants choose CB Repo type 2.
- d. Settlement of transfer transactions as referred to in item a.3) shall be performed with the following conditions:
 - 1) Settlement of transfer transactions conducted by FoP.
 - 2) Securities holdings transferred from Securities providing Participants to the Securities receiving Participants.
 - 3) Execution of transfer transactions Settlement shall be performed by debiting DEPO-AVAI accounts of Securities providing Participants and crediting DEPO-AVAI accounts of Securities receiving Participants at the par value of the Securities.
- e. Settlement of Pledge transactions as referred to in item a.4) shall be performed with the following conditions:
 - 1) Settlement of pledge transactions shall be performed by FoP.
 - 2) Securities holdings shall remain at the pledger.
 - 3) Execution of first leg Settlement shall be conducted with the following conditions:

a. to...

- a) to record pledge transaction by debiting CASHVI-AVAI of pledgee Participants and crediting CASHVI-AVAI of pledger Participants at the market value of the collateralized Securities; and
- b) to execute Securities Settlement with the following conditions:
 - (1) to transfer Securities from DEPO-AVAI accounts to DEPO-PLED accounts of pledger Participants at the par value of the Securities, in the event Participants choose pledge type 1; or
 - (2) to debit DEPO-AVAI accounts of pledger Participants and to credit DEPO-PLED accounts of pledgee Participants at the par value of the Securities, in the event Participants choose pledge type 2.
- 4) Execution of second leg Settlement shall be performed by the following procedure:
 - a) to record second leg transactions by debiting CASHVI-AVAI accounts of pledger Participants and crediting CASHVI-AVAI accounts of pledgee Participants at the market value of the Securities collateralized.
 - b) to perform Securities Settlement with the following conditions:
 - (1) to transfer Securities from DEPO-PLED accounts to DEPO-AVAI accounts of pledger Participants at

the...

the par value of the Securities, in the event Participants choose pledge type 1; or

(2) to debit DEPO-PLED accounts of pledgee Participants and credit DEPO-AVAI accounts of pledger Participants at the par value of the Securities, in the event Participants choose pledge type 2.

- 5) In the event Sub-Registry conducts Settlement of pledge transactions for and on behalf of its customers, Sub-Registry shall submit a proof of collateral registration to its customer that conducts pledge transactions.
- 6) In the event Participants performs Settlement of pledge type 1 transactions in the context of short-term liquidity lending from Bank Indonesia in accordance with the applicable regulation, the following procedures are to be conducted:
 - a) Participants shall submit an application for Settlement of pledge type 1 transaction to Operator through a letter that can be preceded by a facsimile.
 - b) The application as referred to in letter a) shall be submitted by the Participant by informing that the Settlement of pledge type 1 transaction is made for a short-term liquidity loan from Bank Indonesia.
 - c) In the event the Participant is a conventional Bank and will use

Securities...

Securities of Sharia Business Unit, the application letter as referred to in letter a) must be accompanied with a reference letter on the use of Securities owned by the Sharia Business Unit.

- d) Participants as the pledgers and Bank Indonesia as the pledgee shall perform Settlement of pledge type 1 transactions in BI-SSSS.
- e) In the event Participants use Securities of Sharia Business Unit, then the pledge Settlement as referred to in letter d) shall be conducted by the Sharia Business Unit and Bank Indonesia as the pledgee.
- f) Procedure of Settlement on pledge type 1 transactions as referred to in letter d) shall refer to execution procedure of Settlement as referred to in item 3) and item 4).
- g) Execution of second leg Settlement on pledge type 1 transactions can be done in the event the Participants have met requirements of collateral release in accordance with Bank Indonesia regulation that governs the short-term liquidity loan.
- h) Extension of pledge transaction period shall be conducted by the Participant and Bank Indonesia as the counterparty.

f. Settlement...

- f. Settlement of Securities lending and borrowing transactions as referred to in item a.5) shall be conducted with the following conditions:
- 1) Settlement of SLB transactions with securities guarantees shall be conducted by DvD.
 - 2) Settlement of SLB transactions with funds guarantees shall be conducted by DvP.
 - 3) Recording of Securities lent shall transfer from the Securities lending Participant to the Securities borrowing Participant.
 - 4) Recording of Securities submitted as guarantees shall transfer from the Securities borrowing Participant to the Securities lending Participant.
 - 5) Execution of first leg Settlement shall be performed with the following conditions:
 - a) SLB with guarantees in the form of Securities
 - (1) Settlement of collateralized Securities shall be conducted by debiting DEPO-AVAI accounts of the Security borrowing Participants and crediting DEPO-AVAI accounts of the Security lending Participants, at the par value of the collateralized Securities; and
 - (2) Settlement of lent Securities shall be performed by debiting DEPO-AVAI accounts of the Securities lending Participants and crediting DEPO-AVAI accounts of Securities

borrowing...

borrowing Participants, at the par value of the collateralized Securities.

b) SLB with guarantees in the form of Funds

(1) Settlement of pledged Funds shall be conducted by debiting Fund Settlement accounts of Participants or Cash Settlement Agents from the Security borrowers and crediting Fund Settlement accounts of Participants or Cash Settlement Agents from the Security lender, at the value of the pledged funds; and

(2) Settlement of Securities lent shall be conducted by:

(a) recording SLB transactions by debiting CASHVI-AVAI Accounts of Securities borrowing Participants and crediting CASHVI-AVAI Accounts of Securities lending Participants at the value of the pledged funds; Participants...

(b) debiting DEPO-AVAI accounts of Securities lending Participants and crediting DEPO-AVAI accounts of Securities borrowing Participants at the par value of the collateralized Securities.

6) Execution of second leg Settlement shall be performed at the early day by the following procedure:

a) SLB with Guarantees in the form of Securities

(1) Settlement of collateralized Securities shall be conducted by debiting DEPO-AVAI accounts of the Securities lending Participants and crediting DEPO-AVAI accounts of the Securities borrowing Participants at the par value of the collateralized Securities; and

(2) Settlement of Securities lent shall be conducted by debiting DEPO-AVAI accounts of the borrowing Participants and crediting DEPO-AVAI accounts of Securities lending Participants at the par value of Securities lent.

b) SLB with Guarantees in the form of Funds

(1) Settlement for pledged funds shall be performed by debiting Fund Settlement Accounts of the Securities lending Participants or Cash Settlement Agents and crediting Fund Settlement Accounts of the borrowing Participants or Cash Settlement Agents at the value of the pledged funds.

(2) Settlement...

- (2) Settlement of Securities lent shall be conducted by:
 - (a) recording SLB second leg transactions by debiting CASHVI-AVAI accounts of the Securities lending Participants and crediting CASHVI-AVAI accounts of the Securities borrowing Participants at the value of the pledged funds; and
 - (b) debiting DEPO-AVAI accounts of the Securities borrowing Participants and crediting DEPO-AVAI accounts of the Securities lending Participants, at the par value of the collateralized Securities.
- 2. Settlement of Financial Market Transactions conducted through BI-ETP System
 - a. Instructions for Settlement of Financial Market Transactions through BI-ETP System among others are selling and borrowing transactions in the context of Inter Bank Money Market (PUAB) and Sharia-based Inter Bank Money Market (PUAS) transactions, and inter Participants secondary market transactions that can be done with or without Securities underlying.
 - b. Execution of PUAB Transaction Settlement as referred to in letter a shall be performed as follows:
 - 1) PUAB with Securities underlying

Execution...

Execution of PUAB transaction Settlement with Securities underlying shall be performed with Repo transaction Settlement procedure as referred to in item 1.c.

- 2) PUAB without Securities underlying
 - a) Execution of first leg Settlement is performed with the following conditions:
 - (1) Fund Settlement
Settlement of Fund is conducted by debiting Fund Settlement Accounts of the fund lending Participants and crediting Fund Settlement Accounts of the fund borrowing Participants at the value of PUAB transactions.
 - (2) Transaction Recording
Recording of PUAB transactions shall be conducted by debiting CASHVI-AVAI accounts of the fund lending Participants and crediting CASHVI-AVAI accounts of the fund borrowing Participants at the value of PUAB transactions.
 - b) Execution of second leg Settlement shall be conducted with the following conditions:
 - (1) Fund Settlement
Settlement of Funds shall be conducted by debiting Fund Settlement Accounts of the fund borrowing Participants and
crediting...

crediting Fund Settlement Accounts of the fund lending Participants at the value of PUAB transactions.

(2) Transaction Recording

Recording second leg Settlement of PUAB transactions shall be conducted by debiting CASHVI-AVAI accounts of the fund borrowing Participants and crediting CASHVI-AVAI accounts of the fund lending Participants at the value of PUAB transactions.

c. Settlement of Financial Market Transactions in the context of PUAS shall be performed with the following conditions:

- 1) Fund management Participants shall conduct the recording of terms and conditions of PUAS instrument that becomes the basic of PUAS transactions through BI-SSSS.
- 2) Execution of PUAS transaction Settlement after the recording of the PUAS instrument as referred to in item 1) has been performed.
- 3) Execution of PUAS transaction Settlement shall be performed with procedure of Repo transaction Settlement as referred to in item 1.c in accordance with the regulation that governs PUAS.

d. Settlement and transactions of secondary market inter Participants performed through BI-ETP System shall be carried out in accordance with

transaction...

transaction Settlement procedures as referred to in item 1.

3. Settlement of Second Leg Transactions Prior to Maturity (Early Termination) and Settlement of Period Extension Transactions

Participants can conduct Settlement of second leg transactions prior to maturity (early termination) and period extension transactions with the following conditions:

- a. Performed based on agreement between Participants conducting transactions.
- b. Performed by the Participants conducting transactions through BI-SSSS by changing the date of the second leg Settlement no later than 1 (one) working day prior to the maturity date of the second leg Settlement.

4. Resolution of Second Leg Settlement Failure upon Transactions Between Participants

- a. In the event the balance on Fund Settlement Accounts and/or Securities Accounts for the execution of maturity second leg transactions are insufficient until the beginning period of BI-SSSS cut-off warning or the set deadline of Settlement, the following conditions are applicable:
 - 1) The system shall conduct roll over of the transaction period with 1 (one) working day period automatically.
 - 2) Upon the roll over as referred to number 1), the system shall perform execution of the second leg Settlement on the next working day.

- 3) Activities as referred to number1) and number2) shall be conducted until the second leg Settlement successfully made or cancellation of the second leg Settlement is done.
- b. In the event the second leg Settlement are cancelled as referred to point a.3), the regulation is as follows :
- 1) Settlement of the first leg transactions considered as Settlement of outright transactions.
 - 2) In the event CB Repo and pledge transactions, cancellation of second leg Settlement shall be conducted by transferring the collateralized Securities to the beneficiaries.
 - 3) Execution of collateral transfers as referred to number2) shall be conducted with the following procedure:
 - a) In the case of CB Repo type 1 transactions, Securities are transferred to the REPO-PLED accounts of the fund borrower Participants to the DEPO-AVAI accounts of the fund lender Participants.
 - b) In the case of CB Repo type 2 transactions, Securities are transferred from REPO-PLED accounts to the DEPO-AVAI accounts of the fund lender Participants.
 - c) In the case of pledge type 1 transactions, Securities are transferred

from DEPO-PLED accounts to the DEPO-AVAI accounts of the collateral recipient Participants.

- c. Cancellation of second leg Settlement as referred to point a.3) shall be performed by the Participants through BI-SSSS based on agreement between the Participants.
- d. Operator cancel second leg Settlement as referred to point a.3) in the event the traded Securities enter the time limit of transactions and Participants do not cancel the second leg Settlement.
- e. Cancellation of second leg Settlement by Participants shall be conducted with the following procedure:
 - 1) Participants submitting Securities as collaterals, send instructions for cancellation of second leg Settlement through BI-SSSS; and
 - 2) Counterparty Participant in transactions receiving Securities as collaterals approve the cancellation of second leg Settlement by performing authorization on the received instructions.
- f. Operator can cancel second leg Settlement based on:
 - 1) request of one of the Participants based on the power of cancellation from the counterpart Participant;
 - 2) request of the competent supervisory institution; or

3) the...

- 3) the ruling of court and/or arbitration agency that already has legal binding, causing the second leg Settlement shall be cancelled.
- g. Cancellation due to the condition as referred to point 1) shall be conducted with the following procedure:
- 1) Participants submit an application letter to Operator for the execution of the second leg Settlement cancellation as referred to Example 10 of Attachment II.
 - 2) The application letter as referred to number 1) can be preceded by sending an administrative message or a facsimile.
 - 3) The application letter as referred to letter a), shall be completed with supporting documents, i.e. transaction evidences, authorization from the counterparty Participant, decision of competent authorities, court ruling, and/or arbitration ruling resulted in the cancellation of the second leg Settlement.
 - 4) Based on the application letter as referred to number 1), Operator cancel the second leg Settlement upon the transaction of the concerned Participant.
 - 5) Operator inform the execution of second leg Settlement cancellation to both parties of Participants making transactions.
- h. Operator may block Securities owned by Participants based on request from the competent supervisory institution.

5. Management of Securities Submitted as Collaterals by Participants

- a. Participants may set a parameter of collateral management for the collateralized Securities bilaterally.
- b. Decision on haircut by Participants shall be conducted as follows:
 - 1) Haircut determined by the Participants providing the collaterals shall be higher than or equal to the haircut set by Participants receiving collaterals.
 - 2) In the event there is a discrepancy of haircut between the Participant receiving collaterals and the Participant providing collaterals, the haircut that will be used is the haircut determined by the Participant receiving collaterals.
- c. Participants can replace the Securities used as collateral substitution for transactions between Participants with the following conditions:
 - 1) conducted prior to the date of the second leg Settlement;
 - 2) conducted based on the agreement between Participants; and
 - 3) The substitute Securities meet the collateral management requirements determined.

H. Administration of Securities in the Context of FLI

1. Administration of Securities in the context of FLI RTGS

- a. In the context of FLI RTGS usage in BI-RTGS System, Participants shall provide Securities

according...

according to Bank Indonesia regulation that governs FLI, in ILF-RSTR accounts.

b. Implementation of Securities provision as referred to in letter a can be conducted during the periods of activity determined by Operator with the following conditions:

- 1) Participants provide Securities that can be used to obtain FLI RTGS in the ILF-RSTR accounts with the following procedure:
 - a) transfer Securities from DEPO-AVAI accounts to ILF-AVAI accounts; and
 - b) transfer Securities from ILF-AVAI accounts to ILF-RSTR accounts.
- 2) Operator calculate the cash value of the Securities recorded in the ILF-RSTR accounts according to Bank Indonesia regulation that governs FLI.
- 3) The result of the cash value calculation as referred to number 2) shall be the highest limit of FLI that can be used by Participants through BI-RTGS System.
- 4) In the event there are requests for FLI usage in BI-RTGS System, Operator will calculate the total nominal values of the Securities that must be available to guarantee the use of FLI in BI-RTGS System, by referring to the smallest nominal unit of Securities in BI-SSSS.
- 5) Participants may perform release of Securities in ILF-RSTR accounts during the period of FLI-RTGS usage with conditions as follows:

a) Securities...

- a) Securities that released should be in maximum the unused nominal value to guarantee the FLI-RTGS usage in BI-RTGS System.
- b) Execution of Securities release by Participants shall be conducted with the following procedure:
 - (1) transfer Securities from ILF-RSTR accounts to ILF-AVAI accounts; and
 - (2) transfer Securities from ILF-AVAI to DEPO-AVAI accounts.
- 6) Participants may repay the FLI RTGS usage through BI-SSSS during the Settlement of FLI-RTGS repayments activity periods determined by the Operator.
- 7) Repayments of FLI-RTGS usage as referred to number 6) shall be conducted at the value of FLI-RTGS usage for every transaction of FLI usage in BI-RTGS System.
- 8) In the event Participants have not repaid the FLI-RTGS usage until the end of the Settlement of FLI-RTGS repayments activity periods, Operator will conduct Settlement of FLI-RTGS repayments at the value of FLI-RTGS usage that have not been repaid, by debiting the Fund Settlement Accounts of Participants in BI-RTGS System.
- 9) In the event the Fund Settlement Accounts of Participants are insufficient to repay the use of FLI-RTGS as referred to number 8), Operator will convert the use of FLI-RTGS that have not been repaid into lending

facility...

facility/ financing facility transactions with Bank Indonesia.

- 10) The conversion of FLI-RTGS usage that have not been repaid into lending facility/financing facility transactions with Bank Indonesia as referred to number 9) shall be conducted with the following procedure:

a) Determination of Securities as collaterals upon lending facility/ financing facility transactions shall be conducted by the Operator according to the sequence of priorities as follows:

(1) Type of Securities, namely:

(a) SBI, SBIS, and SDBI; and/or

(b) SBN

(2) remaining period of Securities that shorter for the same Securities.

b) Operator transfer the Securities collateralized in lending facility/ financing facility transactions with Bank Indonesia from ILF-RSTR accounts of Participants to DEPO-AVAI accounts of Bank Indonesia.

- 11) Repayments upon lending facility or financing facility transactions with Bank Indonesia as referred to number 9) shall be conducted in accordance with Bank Indonesia regulation on interest rate corridor (standing facilities), Bank Indonesia regulation on the procedure of SBIS Repo transactions with Bank Indonesia, and Bank

Indonesia regulation on the procedure of SBSN Repo transactions with Bank Indonesia.

- 12) In the event Settlement of repayments succeeded, Operator shall transfer the collateralized Securities of lending facility/ financing facility transactions with Bank Indonesia from DEPO-AVAI accounts of Bank Indonesia to ILF-RSTR accounts of Participants.
- 13) Operator will conduct feecalculatation for FLI-RTGS usage in accordance with Bank Indonesia regulation that governs FLI.
- 14) Fee charges for the use of FLI-RTGS shall be conducted through BI-RTGS System on the next 1 (one) working day by debiting Fund Settlement Accounts of Participants at the fee of FLI usage as referred to number 13).

2. Administration of Securities in the Context of FLI Clearing

- a. In the context of FLI Clearing usage, Participants shall provide Securities in accordance with Bank Indonesia regulation that governs FLI, in FtS-RSTR accounts.
- b. The implementation of Securities provision as referred to letter a may be conducted during the periods of activity determined by Operator with the following conditions:
 - 1) Participants provide Securities that can be used to obtain FLI Clearing in FtS-RSTR accounts, with the following procedures:

a) transfer...

- a) transfer Securities from DEPO-AVAI accounts to FtS-AVAI accounts; and
 - b) transfer Securities from FtS-AVAI accounts to FtS-RSTR accounts;
- 2) Operator calculate the cash value of the Securities recorded in FtS-RSTR accounts, in accordance with Bank Indonesia regulation that governs FLI.
 - 3) The results of the cash value calculation as referred to number 2) are the highest limit of FLI that may be used by Participants to settle the calculation result of the debit clearing.
 - 4) In the event there are requests for FLI usage to settle the calculation results of debit clearing, Operator will calculate the total nominal value of Securities that shall be available to guarantee FLI usage, by referring to the smallest nominal unit of the Securities in BI-SSSS.
 - 5) Participants may not perform release of Securities in FtS-RSTR accounts prior to implementing settlement of debit clearing results.
 - 6) Participants can make additions or releases of Securities in accordance with the periods of activity determined by Operator.
 - 7) Participants can make repayments of FLI Clearing usage through BI-SSSS during the periods of activity determined by Operator.
 - 8) The settlement of outstanding FLI Clearing as referred to number 7) shall be made at

the...

the value of FLI Clearing usage for the final settlement of debit clearing results in the execution of national clearing system conducted by Bank Indonesia.

- 9) In the event Participants have not repaid the FLI Clearing usage up to the end of activity periods of FLI Clearing repayment Settlement, Operator will conduct FLI Clearing repayment Settlement at the value of the FLI Clearing usage that have not been repaid by debiting the Fund Settlement Accounts of Participants in BI-RTGS System.
- 10) In the event the Fund Settlement Accounts of Participants in BI-RTGS System are insufficient to pay off the FLI Clearing usages as referred to in item 9), Operator shall convert the FLI Clearing usage that have not been repaid into lending facility/financing facility transactions with Bank Indonesia.
- 11) The conversion for the usage of FLI Clearing that has not been repaid into lending facility/financing facility transactions with Bank Indonesia as referred to number 10), shall be conducted with the following procedures:
 - a) Determination of Securities as collaterals on lending facility/financing facility transactions shall be conducted by Operator with the following sequences of priority:
 - (1) Type of Securities, namely:

b) SBI...

- b) SBI, SBIS and SDBI; and/or
 - c) SBN
- (1) Shorter remaining period of Securities for the same Securities.
- b) Operator make transfer of the Securities collaterals of lending facility/financing facility transactions with Bank Indonesia from the FtS-RSTR accounts of Participants to the DEPO-AVAI account of Bank Indonesia.
- 12) Settlement of lending facility/financing facility transactions with Bank Indonesia as referred to number 10), shall be conducted in accordance with Bank Indonesia regulation concerning interest rate corridor (standing facilities), Bank Indonesia regulation concerning procedure of REPO SBIS transactions with Bank Indonesia, and Bank Indonesia regulation concerning procedure of REPO SBSN transactions with Bank Indonesia.
- 13) In the event the repayment Settlement are succeeded, Operator transfer the collateralized Securities of lending facility/financing facility transactions with Bank Indonesia from the DEPO-AVAI account of Bank Indonesia to FtS-RSTR accounts of Participants.
- 14) Operator shall make calculation of FLI usage fees according to Bank Indonesia regulation that governs FLI.

15) The...

- 15) The imposition of FLI Clearing usage fee, performed through BI-RTGS System on the next 1 (one) working day by debiting the Fund Settlement Accounts of Participants at the fee of the usages as referred to in item 14).

I. Administration of Customers' Securities

1. Administration of Customers' Securities by Sub-Registry.
 - a. The parties that do not have Securities Accounts in the Central Registry must appoint a Sub-Registry to perform the administration of their Securities.
 - b. The recording of Securities holdings in the Securities Account of Sub-Registry in Central Registry is in the omnibus account.
 - c. The recording of Securities owned by individual customers shall be conducted separately in the system owned by the concerned Sub-Registry.
 - d. In the event the Sub-Registry has conducted its inter customers settlement (in-house transfers) upon Repo CB or pledge transactions in the Sub-Registry system, then the Sub-Registry shall transfer the Securities traded from DEPO-AVAI sub-accounts to the DEPO-NAVL sub-accounts in BI-SSSS.
2. Administration of non-Bank Primary Dealers or non-Bank Auction Participants Accounts by Sub-Registry
 - a. Non-Bank Primary Dealers or Non-Bank Auction Participants shall appoint a Sub-Registry to conduct administration of Securities owned by

Non-Bank...

Non-Bank PrimaryDealers or Non-Bank Auction Participants.

- b. The Sub-Registry shall open a Securities Account in BI-SSSS for and on behalf of Non-Bank PrimaryDealers or Non-Bank Auction Participants used only for the executions of Settlement on SBN auction results in the primary market.
- c. The Sub-Registry shalltransfer Securities of the SBN auctions results from the accounts of Non-Bank Primary Dealers or Non-Bank Auction Participants as referred to letter b to the Securities Accounts of the Sub-Registry in BI-SSSS immediately after the Settlement of SBN Auctions results executed.
- d. The Securities Accounts in BI-SSSS as referred to letter b shall not be used for administering Securities owned by customers from Non-Bank Primary Dealers or Non-Bank Auction Participants.
- e. Registration of Securities Accounts of Non-Bank PrimaryDealers or Non-Bank Auction Participants in BI-SSSS shall be performed by the following procedures:
 - 1) Sub-Registry shall submit an application letter to the Operator for the opening of Securities Account on behalf of Non-Bank Primary Dealers or Non-Bank Auction Participants.
 - 2) The application letter as referred to number1) shallbe signed by the officials who have signature specimen in Operator.

3) The...

- 3) The application for account openings as referred to number 1) shall be completed by the following documents:
 - a) information of Non-Bank Primary Dealers or Non-Bank Auction Participants as referred to in Attachment II.
 - b) photocopies of the appointment letters as Non-Bank Primary Dealers or Non-Bank Auction Participants from the Minister of Finance; and
 - c) statement letters from Non-Bank Primary Dealers or Non-Bank Auction Participants declaring that the Non-Bank Primary Dealers or Non-Bank Auction Participants are the customers of the concerned Sub-Registry.
 - 4) Based on the applications letters for opening accounts as referred to number 1), Operator will open accounts on behalf of the Non-Bank Primary Dealers or Non-Bank Auction Participants no longer than 7 (seven) working days effective as of the documents received completely.
3. Reporting facilities for Sub-Registry
- a. The Operator provides SI BI-SSSS for Sub-Registry as the facilities for reporting and reconciling data of BI-SSSS related to the administration of individual customers of Sub-Registry.
 - b. Management and authorities of SI BI-SSSS usage shall be regulated as follows:

1) Operator...

- 1) Operator provides User ID and password administrator to each Sub-Registry to access SI BI-SSSS application.
 - 2) The administrators as referred to number 1) shall have the following authorities:
 - a) Creating user- in the administrator level ; and
 - b) perform the activities of adding, deleting, resetting passwords for users and user groups.
 - 3) Sub-Registry may submit applications for resetting passwords to Operator through BI-SSSS administrative messages or by submitting written requests signed by the Sub-Registry Managers with the address as referred to point II.A.2.a.
4. Reporting of Sub-Registry
- a. In the context of administering the customers' Securities, Sub-Registry have reporting obligations with the following conditions:
 - 1) Daily Reports
 - a) Daily Reports consist of:
 - (1) Reports on Settlement of inter customers transactions within the same Sub-Registry (in-house transfer); and
 - (2) Reports on data information of customers upon Settlement of Securities transactions conducted through BI-SSSS.
 - b) Daily Reports shall be submitted through SI BI-SSSS by referring to the

procedure...

procedure and format of reports as referred to Attachment IV.

2) Monthly Reports

- a) Monthly reports shall contain information on the ownership of Securities on behalf of the Sub-Registry's customers in the end of the month.
- b) Monthly reports shall be submitted through SI BI-SSSS by referring to the procedure and report format as referred to Attachment IV.

3) Reports on Settlement of Securities Issuance Transactions

- a) Reports on Settlement of Securities issuance transactions contain information on the results of Settlement of Securities issuance transactions of customer recorded in the concerned Sub-Registry.
- b) The reports on Settlement of Securities issuance transactions as referred to letter a) shall be submitted through SI BI-SSSS by referring to the procedure and report format as referred to Attachment IV.

4) Reports on Settlement of buyback/debt switching transactions

- a) Reports on Settlement of buyback/debt switching transactions shall contain information of Settlement of buyback/debt switching transactions of

customers...

customers registered in the concerned Sub-Registry.

- b) The reports on Settlement of buyback/ debt switching transactions as referred to number a) shall be submitted through SI BI-SSSS by referring to the procedure and report format as referred to Attachment IV.

5) Other Reports

If required, Bank Indonesia can request Sub-Registry to submit other reports.

- b. Sub-Registry is obliged to make corrections on reports with the following conditions:

- 1) for corrections of daily reports as referred to point a.1), the corrections shall be submitted through SI BI-SSSS no later than 2 (two) working days after the notification from the Operator.
- 2) for corrections of monthly reports as referred to point a.2), the corrections shall be submitted through SI BI-SSSS no later than 5 (five) working days after the notification from the Operator.
- 3) Provisions and procedures for submitting the corrections reports as referred to in item 2) and item 3) through SI BI-SSSS shall be conducted by referring to the procedure and report format as referred to in Attachment IV.

V. FEES

A. Fees...

A. Fees in the Operations of Securities Administration Through BI-SSSS

Operator shall determine the fees toward Participants in the operations of Securities administration through BI-SSSS with the following conditions:

1. Types of fees in BI-SSSS usage among others consist of:
 - a. Fee of Settlement instructions.
 - b. Fee for sending administrative messages.
 - c. Fee for the usage of Guest Bank Facilities.
 - d. Fee for extending periods of operational activity.
 - e. Fee for replacing or adding digital certificate hard token.
2. Determination on the delivery fees of Settlement instructions as referred to point 1.a shall be imposed to each delivery of Settlement instructions.
3. Determination on the delivery fees of administrative messages as referred to in item 1.b shall be imposed to each delivery of administrative messages.
4. Determination on fees of Guest Bank Facilities usage as referred to point 1.c, will be governed by the following provisions:
 - a. The fee amounts determined by Operator based on duration of usage time every 1 (one) hour.
 - b. The fee amounts as referred to letter a, calculated based on the attendances signed by the Operator and Participants.
Example of fee calculation as referred to Attachment VIII.
5. Determination on the fee of operational activity period extension as referred to point 1.d set by Operator

based...

based on the duration of activity period extension every 30 (thirty) minutes.

6. Replacement fee for digital certificate hard token as referred to point 1.e. due to missing, damaged, and/or additional of digital certificate hard token that exceed the maximum limit shall be determined by the Operator for each digital certificate hard token replaced or added.
7. The costs for BI-SSSS usage as referred to number 1 determined as specified in Attachment VIII.
8. The fee as referred to number 7 are not included the Value Added Tax (VAT).
9. Operator may waive certain fee in the operations of Securities Administration through BI-SSSS if Unforeseeable Condition and/or Emergency Condition occur.
10. Waiver of certain fees as referred to number 9 does not include VAT.

B. Fee Calculations and Charges

Calculations and charges of BI-SSSS usage fee by Operator to Participants regulated as follows:

1. Calculations of total costs shall be conducted by the Operator at the end of day for each Participant.
2. Operator shall charge costs as referred to in item A.1 on the next 1 (one) working day, by debiting Fund Settlement Accounts of Participants or Cash Settlement Agents.
3. Calculations and charges of Settlement instruction fee that do not pass the validation system, conducted cumulatively in the following month.

C. Fee Charges by Participants to Customers

1. Participants...

1. Participants may determine and charge fees to customers in a reasonable amount.
2. Participants are obliged to announce the amount of BI-SSSS usage fee determined by the Operator and the amount of BI-SSSS usage fee set and charged by Participants to customers.
3. The announcement as referred to number 2 shall be placed in easily visible and readable locations by customers.

VI. HANDLING OF UNFORESEEABLE CONDITIONS AND/OR EMERGENCY CONDITIONS

Regulations and procedures in order to maintain the continuity of BI-SSSS operations in the event of Unforeseeable Conditions and/or Emergency Conditions occurs, is regulated as follows:

A. Unforeseeable Conditions and/or Emergency Conditions in Operator

1. Unforeseeable Conditions in Operator

In the event an Unforeseeable Condition occurs in Operator that affects the smoothness of BI-SSSS operations or prevents the Operator performing operational activities of BI-SSSS, the following procedures are applicable:

- a. Operator notify all Participants on the Unforeseeable Condition occurrence and stages that needs to be done through administrative messages and/or other means determined by Operator.
- b. In the event the Unforeseeable Condition prevents the operational activities of BI-SSSS from being executed, the stages that should be conducted by Participants are as follows:

1) terminate...

- 1) terminate temporarily activities of sending Settlement instructions and other activities through BI-SSSS;
 - 2) in the event BI-SSSS can operate again, Participants shall conduct the followings:
 - a) conduct reconnection to BI-SSSS;
 - b) conduct reconciliation with the data of BI-SSSS transactions in Operator, and check the latest Settlement executed and the position of Securities ownership through SPP; and
 - c) inform the help desk of BI-SSSS if from the results of reconciliation as referred to letter b) there are discrepancies in the data of Settlement transactions and/or in the position of Securities holdings.
 - c. Implementation of activities as referred to in item b.2) shall be conducted by Participants based on notifications from Operator through administrative messages, help desk of BI-SSSS, and/or other means.
 - d. In the event an Unforeseeable Condition occurs that preventing BI-SSSS from operating up to the time limit set by Operator, then the Operator shall determine the handling policy and procedure of the Unforeseeable Condition and notify the condition to Participants.
2. Emergency Condition in Operator
- In the event an Emergency Condition in Operator occurs that affects the smoothness of the operational of Securities Administration through BI-SSSS or

prevents...

prevents BI-SSSS from operating up to the time limit determined by Operator, then the Operator shall determine policy and procedure for preventing the Emergency Condition and notify all Participants concerning the Emergency Condition and things that shall be done by the Participants in the operation of Securities Administration through BI-SSSS.

B. Unforeseeable Condition and/or Emergency Condition in Participants

1. In the event an Unforeseeable Condition and/or Emergency Condition in Participants occur that leads to the disruption of the smoothness of Settlement executions through BI-SSSS, the following procedures shall be applied:
 - a. Participants shall notify the Operator concerning the occurrence of the Unforeseeable Condition and/or Emergency Condition.
 - b. The notification as referred to letter shall be submitted to:
 - 1) help desk of BI-SSSS, through telephone no longer than 30 (thirty) minutes since the occurrence of the Unforeseeable Condition and/or Emergency Condition, and further a written notification should be submitted to Operator concerning the occurrence and its causes; and/or
 - 2) Operator, through a letter preceded by a facsimile, in the event the concerned Participant needs a follow-up of activity period extension according to the procedure as referred to point IV.A.12.b.

2. In the event an Unforeseeable Condition and/or Emergency Condition in Participants occurs, preventing the Participants from performing operational activities of BI-SSSS, is regulated as follows:
 - a. In the event Participants cannot use the Main SPP, Participants use the Backup SPP.
 - b. In the event Participants cannot use the Backup SPP and/or cannot send Settlement instructions in the Participants' location, then the concerned Participant may conduct operational activities of BI-SSSS using the Guest Bank Facilities.
 - c. In the event Participants decide not to conduct any operational activity, Participants shall immediately notify Operator through letters that can be preceded by facsimiles or other means determined by the Operator.
 - d. In the event an Unforeseeable Condition and/or Emergency Condition occurs in the Sub-Registry so that it cannot send reports through SI BI-SSSS, Participants may send reports through email or other means determined by Operator.
3. In the event an Unforeseeable Condition and/or Emergency Condition occurs in Participants, Operator may determine policy, procedure, and other things required for the execution of Settlement through BI-SSSS.

C. Usages of Guest Bank Facilities

1. Usages of Guest Bank Facilities shall be governed as follows:
 - a. Guest Bank Facilities may be used by Participants during operational hours of BI-SSSS to conduct

activities...

activities according to the periods of activity that is still applicable.

- b. Operator may determine a maximum time limit of Guest Bank Facilities usage in the event the number of Participants that submit requests for using Guest Bank Facilities exceeds the existing capacity.
- c. Participants waive Operator from any damages arising and/or will arise that is experienced by the Participants in connection with the execution of Securities Settlement through Guest Bank Facilities.
- d. The uses of Guest Bank Facilities may be carried out using 4 (four) methods, namely:
 - 1) Shared SDG, i.e. a method of Guest Bank Facility Services provided by Operator to Participants using 1 (one) SDG application installed in 1 (one) infrastructure and configured in order to be used jointly by more than 1 (one) Participant;
 - 2) Standalone SDG, i.e. a method of Guest Bank Facilities services provided by Operator with 1 (one) SDG application installed in 1 (one) infrastructure to be used by 1 (one) Participant;
 - 3) Standalone SSTPG, i.e. a method of Guest Bank Facilities services provided by Operator with 1 (one) SSTPG application installed in 1 (one) infrastructure to be used by 1 (one) Participant; or
 - 4) Own SPP, i.e. a method of Guest Bank Facilities services provided by Operator in

the...

- the form of access to the system in Operator, using an SPP application installed in Participant infrastructure brought to the location of the Guest Bank Facilities.
- e. KPwDN only provides Guest Bank Facilities using a Shared SDG method.
2. Procedure of Guest Bank Facilities usage shall be governed as follows:
- a. Participants submit an application letter for the uses of Guest Bank Facilities to Operator that may be preceded by conveying information through telephones, facsimiles, and/or other means, using the format as referred to Example 11 of Attachment II.
- b. The letter of application as referred to letter a at least contains:
- 1) reasons for using Guest Bank Facilities;
 - 2) location of Guest Bank Facilities usage;
 - 3) method of Guest Bank Facilities usage; and
 - 4) a statement that the concerned Participant shall waive Operator and KPwDN from any indemnity upon all damages arising in the Participant in connection with the execution of Securities Settlement through Guest Bank Facilities.
- c. The letter of application as referred to letter a, shall be signed by the authorized officials of Participants who have signature specimen in Operator.
- d. The letter of application as referred to letter a, shall be submitted to the Operator's address

referred...

referred to point II.A.2.a, that can be preceded by sending it to Operator through the facsimile.

- e. For Participants in the Working Area of KPwDN, the letter as referred to letter a, shall be submitted to Operator with a copy to the KPwDN providing the Guest Bank Facility.
- f. In the event Participants use Guest Bank Facilities for BI-SSSS and BI-RTGS System, the request for the use of Guest Bank Facilities is sufficiently submitted to the operator of BI-RTGS System, provided that the application letter is signed by the official having the authority in the operational of BI-SSSS and BI-RTGS System.
- g. Based on the approval from the Operator for using Guest Bank Facilities to be submitted through administrative messages or other means, Participants use the Guest Bank Facilities in the location of the Operator or KPwDN, subject to the following regulation:
 - 1) Participants prepare data of transactions and other things required for operational activities in Operator in accordance with the guidelines for the use of Guest Bank Facilities for Participants as referred to Attachment VII.
 - 2) In the event the number of Participants submitted applications exceeds the existing capacity of the Guest Bank Facilities, Operator may determine the sequences of usage of the Guest Bank Facilities based on order of arrival of Participants.

VII. LIABILITY DISCLAIMER OF OPERATOR

1. Operator shall be acquitted of any claim for damages arising and/or will arise experienced by Participants or third parties causing by the delay or non-performance of Settlement and recording, payments of coupon/interest or reward and repayment of principal/nominal of Securities and/or other causes.
2. The delay or non-performance of Settlement and recording, payments of coupon/interest or reward and repayment of principal/nominal of Securities as referred to number1 is among others due to:
 - a. instructions for Settlement transactions by Participants to Operator sent by unauthorized officials.
 - b. errors in the data and/or instructions of Settlement sent by Participants to Operator.
 - c. disruptions of communication networks and/or system in Participants lead to the delay in Settlement transactions;
 - d. inability or delay in replenishment of funds by Participants as issuers of Securities in the Fund Settlement Accounts leads to non-payments or delay in payments of coupon/interest or reward and repayments of principal/nominal of Securities at maturity to Participants, holders of the Securities;
 - e. inability or delay in provision of funds in the Fund Settlement Accounts and/or Securities Accounts by Participants;
 - f. cancellation of Settlement upon second leg transactions by Operator performed through BI-SSSS as referred to pointB.8.f; and/or
 - g. Unforeseeable...

- g. Unforeseeable Conditions and/or Emergency Conditions experienced by Operator and Participants.

VIII. MONITORING OF PARTICIPANTS' COMPLIANCE

Monitoring of Participants' compliance by Operator shall be regulated as follows:

1. Operator conduct monitoring of Participants' compliance to ensure the Participants' compliance regulations determined by Operator.
2. The implementation of the Participants' compliance monitoring as referred to number1, include the following aspects:
 - a. Governance;
 - b. Operational;
 - c. Infrastructure;
 - d. Business Continuity Plan (BCP); and
 - e. Customer protection.
3. Monitoring by Operator as referred to number1 shall be performed on-site and off-site.
4. On-sitemonitoring as referred to number 3 shall be performed by Operator through periodical inspections and/or any time required.
5. Off-site monitoring as referred to number3 shall be performed through research, analysis, and evaluation toward:
 - a. periodic reports and/or incidental reports submitted by Participants to Operator; and
 - b. information, data, and/or documents obtained from:
 - 1) the concerned Participant;
 - 2) operational activities of Participants in Operator; and/or
 - 3) other parties.

6. In the context of off-site monitoring implementation as referred to number 5, Participants are obliged to submit reports to Operator, subject to the following provisions:

a. Periodic Reports

Periodic reports consist of:

1) Compliance Assessment Result Reports (LHPK-*Laporan Hasil Penilaian Kepatuhan*)

- a) LHPK constitutes of annual reports containing internal audit assessment results for the period of 1 January up to 31 December.

- b) LHPK shall be submitted in writing to Operator through a letter and/or other means determined by Operator.

- c) LHPK shall be submitted with a time limit no later than 31 March of the following year.

In the event the time limit falls on Saturdays, Sundays, or holidays, the time limit of report submissions shall be on the next working day.

2) Specifically for Sub-Registry, Securities Administration Reports of Customers should also be submitted by the concerned Sub-Registry, consisting of:

- a) Daily Reports as referred to point IV.I.4.a.1);
and

- b) Monthly Reports as referred to point IV.I.4.a.2).

b. Incidental Reports

Incidental Reports consist of:

- 1) reports submitted by Participants to Operator on the request of Operator;

2) reports...

- 2) reports submitted to Operator on the initiative of Participants, for instance reports on disruption of BI-SSSS in Participants; and/or
- 3) specifically for Sub-Registry, the following reports are also to be submitted:
 - a) Settlement reports on Securities issuance transactions as referred to pointIV.I.4.a.3); and
 - b) Settlement reports on buyback/debt switching transaction as referred to pointIV.I.4.a.4).
7. Based on the results of off-site monitoring as referred to number 5 and number 6, Operator may ask clarifications and/or confirmations from Participants on information, data, and/or documents as referred to number 5 and item 6.
8. In the event the clarifications and/or confirmations from Participants as referred to number 7 is not complete, Operator may conduct direct inspection, subject to the following conditions and procedures:
 - a. Officers conducting inspection shall be equipped with letter of assignment from Operator.
 - b. Participants are obliged to provide the officers conducting inspection as referred to letter a, with at least the following:
 - 1) information, data and/or documents required, including but not limited to original documents and/or copies of documents in the form of scripless, and/or electronic data related to the implementation of BI-SSSS according to the request of the Operator's officers; and/or

2) access...

- 2) access to conduct inspection to the physical facilities and supporting applications related to BI-SSSS operations in Participations, among others SPP and interface from and to the internal system of Participants.
 - c. Operator may appoint other parties for and on behalf of the Operator to conduct inspection as referred to in letter a.
 - d. Participants are obliged to provide explanation and information to the Operator conducting inspection as referred to letter a in the context of clarification and/or confirmation on information, data and/or documents obtained in the inspection as referred to letter b.
 - e. In the final inspection at the locations of Participants, an exit meeting is to be conducted to convey and/or discuss the specifics of the inspection results and/or things need to be followed-up by the Participants.
 - f. The inspection results and/or things need to be followed-up by Participants shall be conveyed in writing to the Participants.
9. Participants are obliged to follow up the inspection results and/or things need to be followed-up as referred to in item 8.f.

IX. PROCEDURE FOR IMPOSING ADMINISTRATIVE SANCTIONS

1. Operator impose administrative sanctions to Participants in the form of penalties payment obligation, written warnings, and/or change in the participation status.
2. Imposition of administrative sanctions in the form of penalties payment obligation, written warnings, and/or change in participation status as referred to number 1

shall...

shall be executed based on the results of monitoring on Participants' compliance toward the Participants' fulfillment with the:

- a. obligations of Participants as referred to point III.F;
 - b. obligations in submitting reports as referred to point IV.I.4 and item VII.6; and/or
 - c. obligations to follow up the inspection results and/or things that need to be followed-up as referred to point VII.9.
3. Violations of the Sub-Registry report submissions in the form of daily reports, monthly reports, Securities Issuance Transaction Settlement Reports, buyback/debt switching transaction Settlement Reports, and correction reports shall be imposed with administrative sanctions in the form of written warnings and administrative sanctions of penalties payment obligation.
 4. Imposition of administrative sanctions in the form of penalties payment obligation upon the violation of the obligation to submit reports as referred to point 2.b shall be governed as follows:
 - a. Each delay or non-submission of daily reports, monthly reports, Securities Issuance Transaction Settlement Reports, buyback/debt switching transaction Settlement Reports, as referred to point IV.I.4 shall be imposed with an administrative sanction of penalty payment obligation amounted to Rp100,000 (one hundred thousand rupiah) per working day per report with a nominal limit no larger than Rp10,000,000 (ten million rupiah).
 - b. Each delay or non-submission of LHPK as referred to point VII.6, shall be imposed with an administrative sanction of penalty payment obligation amounted to

Rp500,000 (Five hundred thousand rupiah) per working day with a nominal limit no larger than Rp15,000,000 (fifteen million rupiah).

5. Operator inform the imposition of administrative sanction of penalty payment obligation through a letter after the implementation of sanction imposition.
6. Administrative sanctions in the form of changes in the participation status as referred to number 1 shall be conducted based on considerations among others:
 - a. the membership of Participants can result in the disruption of BI-SSSS security; and/or
 - b. requests for imposing sanctions from the authorized institutions as referred to point III.E.3.b.2).

X. OTHER PROVISION

1. Parties as referred to III.A.1 which have become Participants based on Bank Indonesia Circular Letter Number 12/28/DASP dated 10 November 2010 concerning the Operations of Bank Indonesia-Scripless Securities Settlement System otherwise remain become Participants in pursuant to this Bank Indonesia Circular Letter.
2. The existing agreements on the use of BI-SSSS between Operator and Participants prior to the enactment of this Circular of Bank Indonesia are declared invalid and must be replaced by agreements on the use of BI-SSSS between Operator and Participants that refers to the agreement substances as referred to Attachment IX.
3. Operator may determine different policy or regulation concerning the operations of Securities administration through BI-SSSS for Bank Indonesia, Ministry of Finance, and other institutions approved by the Operator to be

Participants...

Participants based on the needs and certain characteristics.

4. Attachment I up to Attachment X constitute integral parts of this Circular of Bank Indonesia.

XI. CLOSING PROVISION

1. The provision concerning the supply of data communication networks from the Participants' back up site to Bank Indonesia as referred to point III.F.1.a.10).c).(1) shall be met by Participants no later than 30 June 2016.
2. The provision concerning the charge of fees to Participants for the use of Guest Bank Facilities as referred to point V.A.1.c is effective as of 1 January 2016.
3. The provision concerning the charge of fee to Participant for the extension of periods of activity as referred to point V.A.1.d is effective as of 1 January 2016.
4. The provision on the Participants' obligation to submit periodic reports in the form of LHPK as referred to point VII.6.a.1) shall be effective for the report period of year 2016.
5. The provision concerning imposition of administrative sanctions of paying penalties upon the obligation to submit reports as referred to point VIII.4.a shall be effective as of 1 July 2016.
6. At the time this Bank Indonesia Circular comes into force:
 - a. Bank Indonesia Circular Number 12/28/DASP dated 10 November 2010 concerning the Operations of Bank Indonesia-Scripless Securities Settlement System; and

b. Bank...

- b. Bank Indonesia Circular Number 13/32/DASP dated 23 December 2011 concerning Licenses, Reporting, and Supervision of Sub-Registry.

are revoked and declared not applicable.

This Circular Letter of Bank Indonesia shall come into force as of 16 November 2015.

For public cognizance, ordering the promulgation of this Circular Letter of Bank Indonesia by placing it in the State Gazette of the Republic of Indonesia.

Hereby, for your attention and understanding,

BANK INDONESIA,

BRAMUDIJA HADINOTO

HEAD OF PAYMENT SYSTEM IMPLEMENTATION
DEPARTMENT